

ay 5, 1933

ES

E. Herfurth

RTH

RIES

Hill Street

ANGELES

S

ELL

RY

O.

icago

. A.

a Life

Business—

Chicago

Inc.

City

City

City

ON

S

City

HIA

y of

EW

per-

you

go.

GENERAL LIBRARY  
UNIVERSITY OF MICHIGAN  
ANN ARBOR MICH  
LIFE'S

# The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, MAY 12, 1933

INS. LAB.



LAZINESS IS NOT THE KEY TO SUCCESS

WRITE FOR GENERAL AGENCY PROPOSITION  
AND TERRITORY



## RESERVE LOAN LIFE

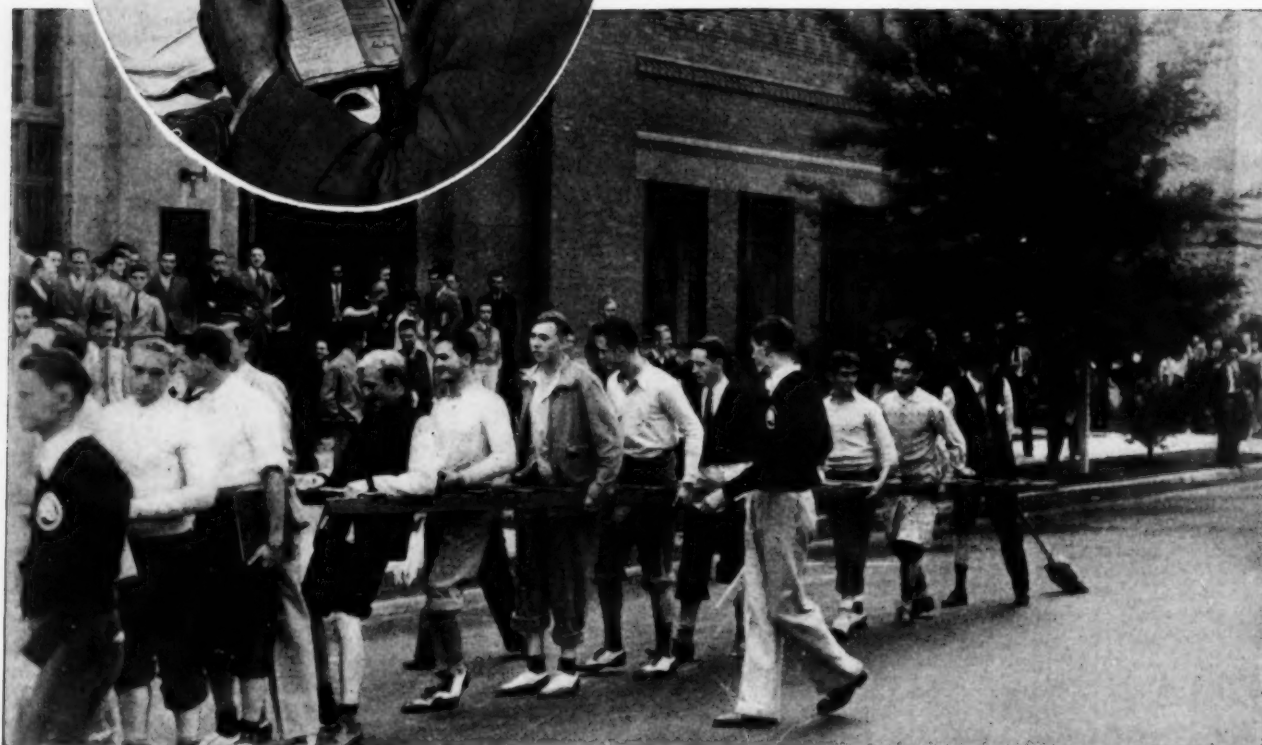
### INSURANCE COMPANY

INDIANAPOLIS, INDIANA.





*and . . .*  
**He Is Going  
 TO COLLEGE**



*The Lincoln National Life's  
 youngest annuitant .*

• • •

Master LeRoy Weinbrenner (in oval above) who is Baby LeRoy in the Chevalier picture "Bedtime Story" holds an LNL Single Premium Deferred Annuity which guarantees his college education.

Maurice Chevalier presented this annuity to his

tiny fellow player at the beginning of work on the Paramount feature picture. Baby LeRoy has his college education assured, come what may.

This application of a deferred annuity to a College educational fund is an unusual but effective example of the flexibility of annuities. The Lincoln National Life offers a complete line of these attractive and popular investment contracts.

**THE LINCOLN NATIONAL LIFE  
 INSURANCE COMPANY**

FORT WAYNE, INDIANA



# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 19

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MAY 12, 1933

\$3.00 Per Year, 15 Cents a Copy

### Production Men Eye Moratorium

Agency Executives Say Restrictions Not Serious Sales Factor

#### SPRING CONFERENCE HELD

Those at Sessions Sponsored by Research Bureau Believe Resistance Largely Imagined by Agents

Discussion of the moratorium, as it affects production, was rather brief at the two-day spring conference of the Life Insurance Sales Research Bureau in Chicago. Some of those attending the conference anticipated that considerable attention would be given to the moratorium question, but when the topic was brought up, the few executives who expressed an opinion said the moratorium was not a vital sales factor, because the great majority of the public is indifferent to it or knows nothing about it. The conference was well attended, largely by agency executives of western companies.

The session at which the moratorium was discussed was presided over by S. G. Dickinson of the bureau. The first question was to what extent the moratorium affects the volume of renewal premiums paid in cash. One official said that his company's renewal premiums paid in cash in April were about 27 percent less than normal. Mr. Dickinson said that the average was 20 to 25 percent less.

#### When Moratorium Lifted

The question was asked what will happen when the moratorium is lifted. J. A. Hawkins of the Midland Mutual Life expressed the opinion that, with inflation undertaken and speculative fever engendered, there would be a tendency for the owners of cash values to get their money to use in speculation. J. P. Yort, Acacia Mutual, said in about half the states in which his company operates there is no moratorium or the moratorium has been lifted and there has been no run on the company in those states.

Mr. Dickinson asked about the practices of companies in the matter of addressing policyholders about the moratorium. None of the companies had circularized their policyholders on this question.

T. A. Phillips, president of the Minnesota Mutual, said that his company had not circularized policyholders, fearing that to do so would create a suspicion that confidence had to be created. However, the agents were fortified with material. They were informed of the cash position of the company and were armed with proper information.

Harold Cummings of the Minnesota Mutual said that communications were sent to agents. The message started off

(CONTINUED ON PAGE 16)

### Planning for Profit Keynote of Bureau's Spring Parley

J. M. Holcombe, Jr., manager of the Life Insurance Sales Research Bureau, was the keynoter at the spring conference of the bureau in Chicago. He emphasized the necessity in these days of looking to profit rather than volume, particularly by guiding the operations of the general agent, so that he will make a profit. Planning for profit was the theme.

In the '20s, Mr. Holcombe said, sales managers in all lines sought to take advantage of the buying mood of the public. This brought the idea that there was only one goal—volume of sales. Each month's and each year's sales were regarded as a stepping stone to something else, which was more sales. Plans were laid on a scale that was never imagined before. The thin small voice of the analyst and student was swept aside.

#### Profitless Prosperity

However, the idea of profitless prosperity gradually began to take shape. General Motors Corporation coined the expression that it must learn to depend on the dealer's profits to build the manufacturer's volume and not on the dealer's volume to build the manufacturer's profit.

After the stock market crash in 1929, life insurance people were lulled into a state of complacency because life insurance sales held up with amazing tenacity, he said. In 1930, sales were only 4 percent below 1929. There was much jubilation and life insurance was called depression-proof. Now, the business knows, he said, that this record was due to the disability situation.

Gradually new business figures de-

clined, terminations increased and premium and investment income went down. Policy loans increased. Then life insurance learned how it could be affected by a retrenchment in general business. The situation was complicated because of the fact that when prices were going up, the cost of life insurance went down, while when prices went down, the cost of life insurance went up.

In the future, Mr. Holcombe predicted that policyholders will pay more for their insurance and buy less of it.

#### Vital and Delicate

Agency activity, he said, is a vital and delicate investment. It is delicate, he declared, because of the wastage in the agency force, which is always there although accentuated by the depression.

Mr. Holcombe exhibited charts, being the results of a survey, showing that although the average production of new agents has held up to about the same level during the depression, heavy losses have occurred in the production of the older men. Therefore, the addition of an appropriate number of new men at an appropriate cost is essential, he said.

#### Armstrong Investigation

Mr. Holcombe declared that the older men, as a group, did not survive the 1905 Armstrong investigation. He expressed the belief that the present is a parallel situation. Possibly, he said, the old group has been doing things in a way that won't work. Perhaps, a new crop of agents must be developed. Recognition must be given to the fact that life insurance won't return to the 1929

(CONTINUED ON PAGE 17)

### Survey of Older Agents Is Given

Men Drafted Since 1929 Found Generally Keener in Selling Than Veterans

#### DELONG REPORTS RESULT

Luther, Keffler, Engelsman, Beers, Drewry, McMillen and Allen on New York Program

The relatively poor showing of the veteran agents as compared with those who have gone into the business since the fall of 1929 is due less to being swamped by policyholders' demands for service than to the tendency of older agents to spend less time selling than the new men and to solicit less effectively. C. E. DeLong, New York general agent, Mutual Benefit, told members of the New York City Life Managers Association at their sales management conference. He stated that his records over a test period showed older agents spend less time on service to policyholders than do newer men.

Many older agents were found disinclined to keep accurate records of their work, so he made the record form as simple as possible, confining it to the amount of time spent each day on (1) service to policyholders, (2) actually trying to make a sale, (3) study and planning, and (4) number of calls and interviews. The results for the period in hours per day per man for the first three divisions were: Old agents—service, one hour; actual selling, 1½ hours; planning and study, 1 1/6 hours; new agents—service, 3/5 hour; actual selling, 2 1/5 hours; planning and study 1 2/5 hours.

#### New Men More Efficient

It was found that the new men averaged 9 3/5 calls (or attempts to make appointments by telephone) per day as compared with 4½ calls for older men. It took new men only 5½ interviews to make a sale and older men 8½ interviews. The older agent is likely to be a "visitor," Mr. DeLong said. Some of his keenness is gone. The problem is to devise ways of getting him to do more effective work. Pep meetings and contests are "old stuff" to him.

"One way of producing a more receptive attitude toward suggestions is for the general agent to tighten up on advances," he said. "Even if an agent's renewal account is worth many times the advance he is asking, I have let it be known that I am not a bank any more and although we are willing to extend help where it is really needed, we are going to help only those who help themselves."

"While I admit that we have not been widely successful in getting a changed attitude, yet in a few cases where veteran agents have realized they were in a slump and dug in and learned how to

(CONTINUED ON LAST PAGE)

### Financial Structure of Legal Reserve Life Companies

|  | Dec. 31, 1932†  | Dec. 31, 1931†  | Dec. 31, 1930*  |
|--|-----------------|-----------------|-----------------|
| New Premiums .....                             | \$ 308,444,126  | \$ 568,430,970  | \$ 519,900,245  |
| Renewal Premiums .....                         | 2,277,397,420   | 2,530,281,029   | 2,510,724,739   |
| Industrial Premiums .....                      | 706,742,274     | 803,674,619     | 717,619,223     |
| Total Premium Income .....                     | 3,604,772,158   | 3,902,386,618   | 3,748,244,207   |
| Total Paid Policyholders .....                 | 3,276,063,224   | 2,765,830,157   | 2,386,893,058   |
| New Business .....                             | 16,555,396,741  | 19,817,494,437  | 22,175,056,845  |
| Net Gain in Force .....                        | —5,671,805,561  | 1,409,701,796   | 5,569,089,338   |
| Total Ins. in Force .....                      | 108,290,757,814 | 114,596,729,723 | 113,667,731,828 |
| Ordinary .....                                 | 81,502,444,614  | 85,866,786,804  | 84,991,109,856  |
| Group .....                                    | 9,624,161,528   | 10,567,761,340  | 10,547,446,611  |
| Industrial .....                               | 17,164,151,672  | 18,162,181,579  | 18,129,175,361  |
| Admitted Assets .....                          | 20,969,152,010  | 21,370,800,087  | 20,016,536,327  |
| Capital .....                                  | 164,693,368     | 177,398,399     | 176,808,338     |
| Unassigned Funds .....                         | 772,437,354     | 718,183,377     | 708,117,929     |
| Contingency<br>(Surplus Funds Set Aside) ..... | 595,219,559     | 473,116,350     | 476,289,341     |

\*326 companies. †313 companies.  
‡295 companies.

—From the Unique Manual-Digest.

## Senate Passes Measure for Aid by R. F. C. to Insurance

### LIMIT PLACED ON SALARIES

Setting Maximum of \$17,500 for Officers or Employees Attacked—Includes Agent on Commission

WASHINGTON, May 11.—Voting aid for insurance companies through the purchase by the Reconstruction Finance Corporation of preferred stock, bonds or debentures of such organizations, the Senate has sent the measure to the House, where it is expected to be acted upon before adjournment of the special session.

The bill sets aside \$100,000,000 for the purpose, but provides that no aid shall be extended to any company until it can show that it can furnish an amount of new capital equal to that for which application is made to the R. F. C., or if any officer, director or employee of the company is receiving compensation at a rate in excess of \$17,500 a year. The company also must agree not to increase such compensation and not to retire any of its stock, notes, bonds or debentures issued for capital purposes while any of its stock, bonds or debentures are held by the corporation.

#### Much Debate on Salaries

The question of compensation to employees and officers was the subject of much debate in the Senate, resulting in the adoption of a salary limitation amendment applying to all organizations receiving R. F. C. loans. It was aimed principally at the railroads, cases being cited of roads which had secured large loans while paying officials more than \$100,000 a year.

A result of the salary-limitation, it was brought out during the debate, would be to prohibit companies from paying any individual agent more than \$17,500 a year in commissions. An effort was made by Senator Reed of Pennsylvania to have this point given mature consideration, it being contended that an agent might have a good year in which he would earn more than \$17,500 but which may be followed by one or more lean years.

#### Companies Attacked, Defended

Opposition to salary limitations also was voiced by Senator Logan of Kentucky, who declared his inability to understand "why the United States Senate or the Congress of the United States should undertake to go out into private business and say: 'As a condition precedent to your obtaining a loan from the government, which you must repay and which must be adequately secured, we are going to tell you how much you can pay your officers.'"

An attack on insurance companies for "squandering the money of their policyholders which they have been holding in trust" by Senator Robinson of Indiana, who was opposed to the bill, was answered by Senators Couzens of Michigan and Walsh of Massachusetts. The former declared that the whole purpose of the bill was to safeguard the policyholder, and chided the senator from Indiana for condemning all insurance companies because some have misbehaved themselves.

A strong defense of the industry was offered by Senator Walsh, who asserted that he could not conceive of anything more injurious to the country than the insolvency of the insurance companies.

#### Names Cravens, Dargan & Co.

The Provident Life & Accident has appointed Cravens, Dargan & Co. of Houston, Tex., as general agents. It is one of the largest general insurance organizations in the country. G. T. Aitken, formerly connected with the Seaboard Life of Houston, has been appointed manager of the life department of the firm.

## Reassuring Word As to Inflation Given by Ecker

The powers of inflation granted President Roosevelt under the farm relief bill will be exercised only after careful study and will be revised if the results and effects are not those sought for, according to the opinion expressed by President F. H. Ecker of the Metropolitan Life in his opening address to the district managers of his company in session in New York.

Mr. Ecker pointed out that the legislation puts in the hands of the president the power to exercise any one or more of the various types of inflation, each one, however, within definite limits. There might be cause for concern, he said, if it were supposed that the president would immediately proceed to exercise these powers to the fullest. The one object of the president, according to Mr. Ecker, is to restore business in this country and in so doing to assist in the restoration of the world.

#### Effect on Insurance

Mr. Ecker endorsed the plan of giving great discretionary power to the president, as against setting out on some arbitrary line of inflation, making that the fixed law of the country.

The probable effect of inflation on life insurance payments is not alarming in the light of past experience, he said. There will be no question of the capacity of the company to pay. The question comes up of how the purchasing power of the dollar paid at the termination of the policy contract will compare with the dollar paid in premiums. Between 1913 and 1929 the purchasing power of the dollar was gradually falling, but it was happening at a slow rate. Today, even the wildest inflationists are asking only for return to the price level of 1926-29. During that period the growth of life insurance was the greatest in its history.

#### Invested in Substantial Securities

Throughout the ages, he said, the conservative, prudent man has invested in fixed interest bearing obligations, often at low rates of interest return. With few exceptions, such as in Germany, such an investor has never suffered. There is no occasion for the thought that the United States will follow the same road which Germany trod.

In April, the ordinary business of the Metropolitan showed an increase over April, 1932, he said, while for the first four months, the industrial business was substantially ahead of that of a year ago. Bonds purchased by the Metropolitan this year show an average return of 4.73 percent and mortgages on real estate, 5.64 percent.

## Taking Over Accident Line

I. A. Morrisett Becomes the Ohio State Manager of the Michigan Life at Dayton

The Michigan Life of Detroit has reinsured all of the accident and health business of the Union National Life of Charleston, W. Va. I. A. Morrisett goes with the Michigan Life as state supervisor, having charge of the life and health and accident departments for Ohio. When Charleston interests secured control of the Union National and moved the executive offices to that city, the life department only was moved, the accident department remaining in Dayton. Mr. Morrisett did not go to Charleston, but remained in Dayton in charge of the accident department. He was relieved of his duties as manager and active president, devoting his time entirely to the accident department. His headquarters will remain in the Ludlow building.

# Sooner Inflation Comes Quicker Will Be Revival

By JOHN F. WOHLGEMUTH  
Secretary The National Underwriter

Business will mark time until the new value of the dollar is known. The President recognized this in his radio address Sunday night when he announced as his third great objective "the setting up of a stabilization of currencies, in order that trade can make contracts ahead." Trade can make no progress until it can make contracts ahead. Prices will be speculative and "jumpy" until inflation is proclaimed.

Notwithstanding its plain invitation to advance prices, the radio address was given a "bearish" effect. Speculators are subtle. Why should it be necessary for the President to reassert his determination to restore prices by inflation? The answer seemed to be a hitch in the foreign negotiations that might lead to delay in the proclamation of the new value of the dollar. With the United States committed to the revaluation of the dollar, the debtor countries are assured of most of what they have to gain. The markets will probably reflect daily the smoothness or difficulties of the negotiations.

#### Prolongs the Difficulties

Marking time will not be too helpful to the insurance situation. The Globe & Rutgers Fire has secured a 15-day extension of time for its rehabilitation plans, but if inflation really goes over to the London economic conference in June, with a decision no sooner than the summer, and the markets mark time until then, the extension may be of little use. The National Surety has successfully passed a crisis. The rise in prices has relieved other tense situations, but if speculators get panicky or stage a decline, new difficulties in the insurance ranks may be precipitated.

Delay in the gold inflation will make the life insurance situation worse. The insurance commissioners will meet in June to consider rules for the moratorium on cash and loan values. If gold inflation could be had much before that the rules might be formulated for the winding up of the moratorium. Until gold inflation comes, the moratorium must guard the cash values against raids for speculative purposes, regardless of the lessening of other demands.

#### Two Kinds of Inflation

It seems fairly easy to read the meaning of the President's address, if the newspaper fog can be disregarded. Great newspapers have failed to take the trouble to understand that gold inflation and paper money inflation will act in different ways. A Washington correspondent opened his account of the radio address with the statement that it promised "controlled inflation." The address in fact explicitly promised stabilization. Gold inflation is instantaneous and final. There is nothing to control.

The only promise in regard to the powers over paper money was that they would be used "when, as and if it may be necessary to accomplish the purpose." If Europe proves "intransigent" it may be necessary to meet the European "controlled" currencies on their own ground, but the whole promise of the address is stability "so that trade can make contracts ahead." This in itself is a direct negative of paper money, because trade cannot "contract ahead" on paper inflation.

Foremost in the address was its declaration that the problem is to revive trade. To listen to the interests besieging Washington one would suppose the problem was railroad relief or farm relief or bank relief or relief for mortgagors or other debtors. Those problems legitimately concern the government solely as they affect the revival of trade.

Inflation itself will revive trade only by turning prices upward. Once prices

turn upward on a basis which permits trade to "make contracts ahead" relief measures become insignificant. That this is the view of the administration is indicated not only by the President's promise to use his powers no more than necessary, but by the remark of the Democratic chairman of the Senate agricultural committee that we can drop the "farm relief nonsense" when we get inflation.

Inflation acts by relieving markets of the fear of distress selling. Of course it relieves debtors by raising prices, but the price level is of no importance to commerce. The object of raising prices is to relieve debtors so that the huge cloud of distress sales will not hang over the markets. Inflation must be sufficient to relieve the majority of the debtors, otherwise it will accomplish nothing. And it must be stable, so that trade "can make contracts ahead." Gold inflation, or devaluation of the dollar, is the only kind that will be stable.

The sureness with which the President touches essentials is what gives the country confidence, regardless of the fog of the Washington correspondents or of the special interests demanding this or that form of relief.

The delay in inflation is of course due to foreign negotiations. Unless foreign markets can be opened there can be no permanent farm relief. Reducing the value of the dollar, as the President points out, will enable hungry foreigners to buy our foods, but it is clear that tariffs can offset the cheapening of the dollar. Hence the importance of tariffs in the stabilization of the world on gold. Hence the importance also of the multiplied powers of the President over paper inflation. If Europe tries to rest on its own paper inflation it must be convinced that the United States can and will play the same game. Foreign dispatches indicate that Europe, like Davy Crockett's coon, eventually "will come down," but negotiations may take time.

#### Interest in World Settlement

Both fire and casualty companies and life companies have a larger interest than they may realize in a world settlement. Security values, although they may rise from inflation, cannot regain their substantial values until trade and the earning capacity of money go back to normal. Fire and casualty companies, of course, depend on commerce for most of their premium volume. Life companies also must depend on the revival of commerce to create a buying market for protection, and the better business becomes, the less drain there will be on cash values for the necessities of policyholders.

Thus while the interests of insurance are with speedy inflation, it also has vital interests in the world settlement aimed at by the President. The field forces in particular suffer from the delay, yet if they can maintain themselves they will be eventual gainers even from the delay.

## Trolleys in Des Moines Advertising Insurance

Life insurance men of Des Moines are pleased with the advertising the institution of life insurance is getting in that city. Posters appeared on the front and rear of street cars in Des Moines last week with the inscription: "Two ways to save money. Ride the street cars and buy life insurance."



## Metropolitan Has Enthusiastic Meet

Pay Tribute to Ecker—Three Day Gathering Held in New York

### NORTH URGES CHANGES

Kavanagh Reports Billion Mark in Payments Passed—Milligan Warns Against Dividend Talk

NEW YORK, May 11.—Rivalling a national political convention in their tumultuous demonstrations, managers and assistant managers of the Metropolitan Life at their annual meeting last week convincingly showed their regard for their chief executive, F. H. Ecker, on the occasion of his 50th anniversary of joining the company, which coincided with the closing of the three-day gathering.

That there was something more than the emotion of the moment behind these plaudits was attested by a huge volume, almost a foot thick, presented to Mr. Ecker, which contains the names of those qualified for the "50-500 Club" during the campaign in the president's honor the first four months of the year.

#### Necessity for Modernization

The necessity of modernizing sales methods to fit the changed times was stressed by H. E. North, third vice-president.

"We are in a changing world and it is up to us to keep abreast of the times," Mr. North declared. "Too many people don't want to make the necessary adjustments. The situation is different today from what it has ever been before in that the public is absolutely insurance-conscious. There is a general realization that life insurance is what Bruce Barton called it, 'a shadow of a great rock in a weary land.' The average life insurance man has become too used to talking cash values, policy loans, net costs and other features. He has forgotten that the primary purpose of life insurance is to protect people when they can not protect themselves. It is not enough to tell a prospect he needs more life insurance, but we must put before him vividly all that we can do for him.

"We must not only tell our agents to get more business but we must tell them how to do it. The manager must be able to lead. He must be able to show his men how to build up a reservoir of prospects so that an agent will always be able to make sales. An agent with plenty of prospects doesn't need to be a top-notch salesman, but the best salesman on earth is lost if he can't do prospecting."

#### Urges Organized Presentations

Mr. North urged the value of organized sales presentations, saying that there is no danger of their becoming too mechanical, and that they keep the salesman on the track and have the advantage of always leading toward a close. Managers themselves must be willing to learn new methods if they expect their agents to be receptive toward learning. Mr. North pointed out, stating that the field's objective should be to make the public realize that Metropolitan representatives are going to give the best service that can be rendered.

Samuel Milligan, third vice-president, warned against over-emphasis on net cost and dividends, saying that while he believed the Metropolitan would be able

(CONTINUED ON PAGE 10)

## Life Insurance Presents Strong Financial Set-Up

Legal reserve life insurance companies had \$20,969,152,010 admitted assets at the end of 1932, according to The National Underwriter's Unique Manual Digest. This is over \$2,000,000,000 more than the 1929 total and 98.2 percent of the 1931 total of \$21,370,800,000. These figures are for the 295 legal reserve companies operating in the United States and the first actual adding machine totals available.

Life premiums totaled \$3,604,772,158 in 1932, 92.4 percent of the 1931 total of \$3,902,386,618. New premiums totaled \$308,448,126, compared with \$568,430,970 in 1931. This is a substantial decline, but in view of the experience of other industries last year it is decidedly

satisfactory. Life underwriters must not forget that in this same year the largest automobile company's earnings dropped from \$96,877,000 in 1931 to \$164,000 in 1932, while the largest steel corporation, which earned \$13,038,000 profit in 1931, showed a loss of \$71,175,000 in 1932.

There was \$16,555,396,000 in new life insurance written in 1932 compared to \$19,817,000,000 in 1931. Renewal premiums totaled \$2,277,397,420 in 1932, compared with \$2,530,000,000 in 1931. Industrial premiums totaled \$706,742,000, compared with \$803,674,000 the year before.

#### Payments to Policyholders

Legal reserve life company policyholders were paid \$3,276,063,224 in 1932, over a half billion or 15.6 percent more than the 1931 total of \$2,765,000,000.

The total insurance in force declined \$5,671,805,561 in 1932, totaling \$108,290,757,814. Of the grand total, \$81,502,444,614 is ordinary, \$9,624,161,528 group and \$17,164,151,672 industrial. Despite the decline in general business, over 95 percent of the 1931 total was in force at the end of 1932. The ordinary and group

totals in force were off about 5 percent and the group 9 percent.

The legal reserve stock companies had a capital of \$164,693,368 at the end of 1932, while all companies had an unassigned surplus of \$772,437,354 and a contingency surplus of \$595,219,515.

Annuity premiums in 1932 totaled \$198,303,948, while annuity payments were \$48,738,514. Disability and double indemnity premiums totaled \$113,884,390.

#### Life Insurance Stands Test

Life insurance men have a right to be proud of the financial structure of their business. In spite of recent events during which many underwriters have lost perspective of the true worth of life insurance, the foundation remains firm and sound. When the soot from the back fires of the moratorium is brushed away, there still remains nearly 21 billions in senior securities, the most important backlog of the nation's financial structure. Can any other industrial or financial institution point to its financial structure and show that it has over \$2,000,000,000 more admitted assets now than it had in 1929?

## SAPPLINGS

Remember that "sapling" you found one day in your garden? A straight shoot, perhaps three feet high, with a little leaf-tuft at the top. Didn't know what it was, or how it started. In a year or two it put out small twigs. By and by it began to take the shape of, it may be, a cherry tree. Then one Spring it bore its first blossom—a single one. The next Spring it had many more. And three or four years later your preservation of it and your care were rewarded with a crop of fruit.

Young men are the life underwriter's saplings. He knows that every mother's son of the men in their prime whose premiums contribute the bulk of his commission income was once a youngster of undetermined future. So he watches the course of life of his young patrons, discerns and meets their needs, and their attachment to him he makes secure. Then, in their middle life, comes full payment for the work and care expended on them in those sapling years.

### THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

PHILADELPHIA

## Illinois Plans to Classify Carriers

Insurance Department Has Had Survey Made of All Companies

### WORK IS NOW COMPLETE

Superintendent Palmer Will Start to Take up Its Condition With Each Company

SPRINGFIELD, ILL., May 11.—House Bill 507 giving emergency powers to the insurance superintendent has passed the senate 40-0. The Maypole resolution for a legislative insurance investigation was defeated 14-18.

Superintendent Palmer addressed the senate in person in behalf of the emergency bill and was well received.

Insurance Superintendent Ernest Palmer of Illinois has just had concluded a survey of all legal reserve life companies of Illinois. The work was done by W. M. Corcoran and Joseph Linder of Leed J. Wolfe's actuarial office in New York. Mr. Corcoran was formerly actuary of the Connecticut department and is one of the leading experts in his line in the country. Mr. Linder also is a man of the highest reputation.

#### Desired an Accurate Picture

The Illinois department desired to get an accurate picture of every company in the state. Mr. Palmer therefore received authority from Governor Horner to employ outstanding talent not in any way connected with Illinois companies to make the survey. There has not been an exhaustive investigation of all the details of the various companies. Messrs. Corcoran and Linder endeavored to arrive at the financial condition and the capacity to carry on without the expense of a regular examination. The final finishing touches were delayed because Mr. Corcoran had to undergo an operation at the Michael Reese hospital in Chicago which kept him confined to his room for over two weeks. However, he is now out and has gone over each case with Superintendent Palmer and his associates.

#### Will Classify the Companies

This will enable the Illinois department to classify the Illinois legal reserve companies. There are a few which may be considered hopeless and unable to be resuscitated. Already the Illinois department has secured a receiver for the Cosmopolitan Life of Chicago, which was hopelessly insolvent. In some cases reinsurance may be arranged before any action is taken. In other cases a conservator may be appointed under jurisdiction of the state insurance department. Superintendent Palmer is convinced that a commercial receivership is a costly and wasteful procedure. He contends that if a company is not able to continue along normal lines and yet may eventually be revived it would be unjust to policyholders to have a receiver appointed. A conservator would reduce expenses and carry on the work with great economy. Such a company would have to cease writing new business, either in part or whole.

#### Keep Eye on Operations

The department through the conservator would be able to keep an eagle eye over the operations. In this way the rights of policyholders would be conserved. Superintendent Palmer feels that the department is taking a forward step in making this classification so that

(CONTINUED ON LAST PAGE)

## Cash Position of Companies Shows Little Improvement

### INCOME HAS BEEN REDUCED

#### Many Demands Made for Loans and Much Time Is Involved in Checking

The life companies are looking their experience squarely in the face during this time of moratoria. They find that their cash situation has not improved to any great extent. This is due to the fact that so many people are not paying their premiums in cash but are permitting their equity in the reserve to carry them along if there is such. Then again, with the slowdown in new business there is not the same amount of money coming in in the way of new premiums. However it is the renewals that are being hurt.

#### Interest Not Being Paid

Furthermore in many states by legislative enactment, gubernatorial desire or by general consent, the interest on farm mortgages is not being paid. Even where farmers are able to meet their obligations they seem to take it for granted that no one need pay and hence they are holding off. There are defaults in other securities and obligations. This, therefore, has cut down the investment income quite materially. Many mortgage guarantee companies have failed or suspended payments and guaranteed mortgages held by life companies suffer. Just last week the National Surety was reorganized, shedding its mortgage guarantee liability.

There is a singular psychology in the public mind at present in that many people feel that they will not pay out good money for anything where they can

avoid it. They will postpone, give notes, promises or, as in the case of life insurance, will allow their equity to carry them along. In case of life insurance many policyholders seem to feel that it is needless to put more money into a company if they cannot get all out of it to which they are entitled. They seem to overlook the fact that all new money put in a company is free from the moratorium. As time goes on, companies in every direction realize that their cash income is greatly reduced.

#### Loan Departments Overworked

So far as loans and surrenders are concerned, there has been a let up especially on part of what might be termed the speculative or hoarding element or those that desire to get their money out for purposes not urgent. However, so far as number of applications is concerned and time required in passing on applications, there has been no abatement. Companies find that their loan departments are overworked and have to spend as much time as before the moratorium, passing on applications, checking them up and ascertaining whether they are made in good faith and whether they really are meritorious.

## Advertising Men Confer on New Promotion Problems

### GATHER IN NEW YORK CITY

#### Latest in Direct Mail and Consumer Advertising Reviewed by Leaders in the Field

"What's New Today" was the theme of the life advertising managers' round table in New York last week. Current problems and opportunities in life insurance sales promotion were discussed. K. R. Miller, Life Insurance Sales Research Bureau, was chairman of the meeting.

Direct mail advertising was discussed by D. B. Slatery, Penn Mutual, who told of his company's efforts. Mr. Slatery emphasized three points: (1) Anything sold to the agency force today must not only be good, but unusually reasonable in price; (2) not too much direct mail material should be released at any one time; (3) something new

and different is advisable from time to time.

Leroy Cushman, Massachusetts Mutual, told how 1,400 members of his company's agency force recently adopted a new direct mail plan, as a result of agency meetings held throughout the country. Several others discussed how direct mail helped during financial independence week. Arthur H. Reddall, Equitable Life of New York, told how direct mail aids in prospecting and in definitizing the agent's work. K. R. Miller prophesied a growing tendency for a completely dovetailed program as follows: (1) Prospecting and direct mail; (2) organized sales presentations; (3) definite plan of work.

Other speakers included Troy M. Rodlun, Acacia Mutual; R. C. Budlong, Northwestern National; Jess F. Relyea, Security Mutual; Clifton P. Mayfield, Fidelity Mutual, and Nelson A. White, Provident Mutual.

#### Consumer Advertising Analyzed

Consumer advertising was presented and analyzed by J. E. D. Benedict, Metropolitan; Nelson A. White, Provident Mutual; Frank J. Price, Prudential; John H. Rees, Colonial Life, and others. Only a few instances of reduced advertising budgets were reported, while it was indicated that several additional life insurance companies are planning definitely to engage in consumer advertising in the very near future.

Bert N. Mills, Bankers Life of Iowa, and Kenilworth H. Mathus, Connecticut Mutual, life group chairman of the Insurance Advertising Conference, spoke briefly on recent recommendations of the life group advisory committee, which are deemed to be of far-reaching importance to the future of life insurance advertising and sales promotion.

Sales promotion discussion was led by Nelson A. White, Provident Mutual, who gave especial emphasis to his company's visual sales talk, known as "The

(CONTINUED ON PAGE 7)

## Encouraging Business Signs

A special notation prepared by the investment research department of the Lincoln National Life has been sent to the members of its field force calling attention to definite and encouraging factors in the immediate business outlook.

These cover wheat prices, which have risen from around 54 cents a year ago to over 70 cents this year; corn prices, which have risen from 29 cents to 35 cents, and cotton prices from 5½ to 7¼ cents. Encouraging factors were noted in the following trades, which should make better prospecting grounds

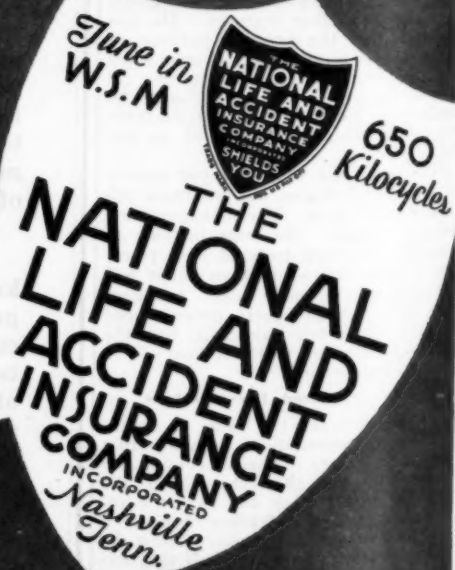
than they did a year ago: Automobile production is at the highest level of the year and higher than a year ago; steel industry is at the highest level of the year and higher than a year ago; freight car loadings are at the highest point of 1933.

General items of interest and encouraging signs of return activity were: 68,000 patents granted in 1932 for new inventions, many of which will undoubtedly form a basis for important industries. Hoarding decreased—about \$1,400,000,000 has come out of hiding since the middle of March.

## A Story of Service in 1932

|                             |                |
|-----------------------------|----------------|
| Paid in claims.....         | \$6,098,233.90 |
| Paid each working week..... | 117,233.00     |
| " " " day.....              | 19,540.00      |
| " " " hour.....             | 2,442.50       |
| " " " minute.....           | 40.70          |
| " " " second.....           | .68            |

It Pays to Be a "Shield Man"





## Past and Present Indiana Commissioners Are Honored

### NEW SALES TAX EXPLAINED

Federation Sponsors Dinner—McClain, Kidd and Attorney-General Talk—Speaker Crawford Is Toastmaster

INDIANAPOLIS, May 11.—Over 100 insurance men representing all branches of the business, and including quite a number from outside Indianapolis, gathered Monday night at a dinner in honor of the present and past state insurance commissioners, the event being sponsored by the Indiana Insurance Federation. C. O. Bray, federation president, presided and introduced Earl Crawford, Connorsville, speaker of the Indiana house, was toastmaster. The first Indiana commissioner was Miles Scheaffer, who served from 1920 to 1921, being succeeded by T. S. McMurray, 1921 to 1926; Clarence C. Wysong, 1926 to 1930; John C. Kidd, 1930 to 1933, and the present commissioner, Harry E. McClain.

#### McClain Promises Cooperation

The latter two were the only ones present and spoke briefly. Mr. McClain promised the cooperation of his department for the common good. He referred to the insurance business as an enterprise in which all connected therewith can take pride because of its fine showing during the past four years.

Mr. Kidd, former commissioner and now executive secretary of the Indiana Legal Reserve Life Insurance Companies, expressed his satisfaction that his successor as commissioner is an insurance man which will mean that he will have a sympathetic understanding with the problems of those engaged in the business.

#### New Sales Tax Explained

J. P. McNamara, deputy attorney-general of Indiana, explained the new sales tax law as it affects insurance agents. Although insurance companies pay a tax on premium receipts in Indiana, this does not relieve their local representatives from also paying a tax on their commission incomes even though the commissions are a part of the premium incomes upon which companies are taxed. The law does not exempt incomes from double taxation through such different sources. Commissions credited on an agent's books are not taxable until they are actually collected, however, notes received for premiums are to be treated as money collected. Return commissions on canceled policies may be deducted from income. Incorporated agencies must pay the tax on income received and the officers of the agency must pay a tax on their salaries or dividends also, even though the incorporated agency may really belong to a single individual. The tax is upon income received basis and not accrued basis and is payable quarterly after May 1 when it became effective, if the income exceeds \$1,300 after deducting the quarterly exemption of \$250.

#### Crawford Favors Tax

Mr. Crawford predicted that the sales tax would result in a distribution of tax in Indiana that would greatly relieve real estate and personal property and that no one will want to go back to the old system after two years of the new.

Among the various association officials present, were Fred H. Jannasch, Gary, president of the Indiana Association of Insurance Agents; Ernest Crain, president Indianapolis Association of Life Underwriters; Homer L. Rogers, president General Agents Association; L. C. Kigin, president Indiana Association of Life Underwriters.

All books used for Chartered Life Underwriter degree sold by The National Underwriter.

**LIFE INSURANCE** as a means of protection, or of savings—yes, even as an investment—has never had so strong an appeal to the public as at the present moment.

In this economic situation, the certainty of life insurance in its personal investment features stands out, particularly as a foundation on which to build home and family security—or for that matter business security.

Men and women likewise have been taught that life insurance can provide for their later years; that they can enjoy its benefits by means of a fixed monthly income for life.

With conditions as they are, the alert life underwriter will not permit his client to forget what past experience has taught; that a solid sense of financial independence comes from the knowledge of a well-considered insurance program for himself and his family.

*John Hancock*  
MUTUAL  
**LIFE INSURANCE COMPANY**  
OF BOSTON, MASSACHUSETTS

## "Living Insurance"

PERHAPS life insurance ought to be called "living insurance." It assures a man an independent living for his later years, or a living for his family if he dies.

In recent years the financial benefits of insurance to the living policyholder have gained increasing recognition. More people are buying life insurance primarily as a sound investment. They are attracted by the staunch security and stability of the well-managed life insurance companies, particularly under the acid tests of the past few years.

In 1932 the New York Life paid over \$182,000,000 to living policyholders and \$72,500,000 to the beneficiaries of those who died.

The New York Life agent has a wide choice of policies from which to make recommendations for "living insurance" to fit the particular needs of his clients, including its Annuity Endowment which continues to gain in popularity.



HOME OFFICE BUILDING

## NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE  
NEW YORK, N. Y.

### Indications Show Movement Toward Federal Supervision

#### SEE CONSIDERABLE INTEREST

Senator Robinson of Indiana Is Now  
Said to Be Preparing to  
Take Action

WASHINGTON, D. C., May 11.—There is considerable talk among members of Congress as to the advisability of swinging insurance more or less under federal control or at least giving the national government a hand in insurance activities. It has been rumored for some time that Senator Arthur Robinson of Indiana will introduce a bill placing insurance under federal control. How this could be done in face of the United States Supreme Court decision in *Paul vs. Virginia* remains to be seen. In that famous decision which still stands, the highest tribunal held that insurance is not inter-state commerce and hence is not subject to federal supervision.

However, Congress may reach insurance in other ways. The McSwain bill would force life companies to be licensed for use of the mails.

The Fletcher bill which has already passed the Senate and is now before the House committee on banking and currency provides for the purchase of preferred stock and/or bonds and/or debentures of insurance companies by the Reconstruction Finance Corporation. If this bill passes naturally the Reconstruction Finance Corporation will have a voice in the management of those companies with which it cooperates in the purchase of securities.

#### Orders a 100 Percent Lien

Judge Allegretti Issues Final Instruk-  
tions as to Disposition of Chi-  
cago National Policies

Judge Allegretti of the superior court in Chicago has decreed that a 100 percent lien be placed on all policies of the Chicago National Life, which were taken over by the Pacific States Life of Hollywood, Cal. This includes life, disability, double indemnity, extended insurance, paid up policy and waiver of premium reserves. The Pacific States Life took over the Chicago National Life in June, 1932. J. M. Crume, receiver of the Chicago National Life, was instructed to make the contract, which was approved by the Illinois department. The Pacific States Life was asked to make computations necessary to determine the amount of lien charged against the Chicago National Life policies. The Pacific States Life appeared before the court this week and presented testimony and arguments showing that 100 percent lien should be established. It was so ordered.

#### Must File Violation Data

DENVER, May 11.—Information on violations of the Colorado insurance laws must be filed with the district attorney by the state insurance commissioner as the result of the passage of a bill with this provision by both houses of the legislature. In the past the commissioner has declined to take such a step, the attorney-general of the state having ruled he had no authority. Under the bill he is required to investigate and examine information presented to him on authority which he believes to be reliable. There is also a provision making it the duty of the commissioner to examine all requests and applications for agents' licenses and authorizing him to refuse to issue them until he is satisfied of the qualifications and general fitness of the applicant. The bill has gone to the governor for signature.

When the clock BUZZES  
someone's protection is in  
danger.



## COIN-CONTROLLED ELECTRIC CLOCK

**SELLS—Insurance.**  
**COLLECTS—Premiums.**

Shows people they CAN pay. Then  
sees that they DO pay.

**SELLS:** Triples production. Seven  
policies in one day for a woman  
writer.

74 policies in 60 days for a Cleveland  
Sun Life agent.

Another agent (ready to quit) tried  
the clock plan, sold 7 policies in two  
weeks.

#### COLLECTS

If policy holder fails to deposit money  
every day the clock starts to BUZZ  
and will not SHUT UP until the  
money is deposited.

#### PROSPECTS

Each clock averages FIVE REAL  
LIVE PROSPECTS.

One clock at a card party produced  
EIGHT prospects. SIX of them  
were sold.

#### GREAT FOR JUVENILE POLICIES

ONLY \$3.85 C. O. D.  
\$4.00 Check with Order.

SPECIAL prices on lots of SIX and  
TWELVE.

## THE COIN CLOCK CO. Cleveland, Ohio

Mail this Coupon TODAY

THE COIN CLOCK CO.  
8435 Broadway, Cleveland.  
Please rush one Electricoin clock with sales  
plan. Subject to return in ten days for  
full refund.

C. O. D. \$3.85  
or

Postage paid check enclosed for \$4.00.

Name.....

Street.....

City.....

Company you represent.....

NU 6-14



## Shifts Made by Aetna Life in Cincinnati, San Francisco

### TWO GENERAL AGENTS MOVED

**E. H. L. Gregory's Resignation on Pacific Coast Affects F. C. Whatley, T. P. McCormack**

Vice-president S. T. Whatley of the Aetna Life announces the retirement of E. H. L. Gregory, general agent at San Francisco owing to illness. F. C. Whatley, general agent at Cincinnati, succeeds Mr. Gregory, and P. T. McCormack, assistant general agent at Chicago, becomes general agent at Cincinnati.

Mr. Gregory, who resigns because of an extended period of ill health, is a veteran Aetna Life general agent, his appointment as head of the San Francisco general agency dating back to 1901. Only one man, J. S. Edwards of Denver, shows a longer record of services as an Aetna Life general agent.

Mr. Gregory, a native of Hamilton, Canada, joined the Aetna Life in 1900. He had been, prior to that date, a British cavalryman, private secretary to the governor of Manitoba, an actor, and a life insurance salesman. His appointment as general agent, at the age of 31, came as a result of his successful record as a personal producer.

#### F. C. Whatley's Career

F. Crook Whatley is a native of Alabama. Following his education at the University of Alabama, he started his business career with the Bradstreet Company, becoming manager for that company at Birmingham and at Mobile. He resigned to enter the general insurance business. In 1918 he went to Pittsburgh and organized the Steel City Gas Coal Company. He was vice-president and general manager of this company, which did an annual business in excess of \$12,000,000. In 1925 Mr. Whatley, who is a brother of Vice-president S. T. Whatley, sold his business and, taking up his residence in southern California, became associated with W. M. Hammond, Aetna Life general agent in Los Angeles. He was made assistant general agent there in 1930, and a year later was appointed general agent at Cincinnati.

#### T. P. McCormack's Good Schooling

T. P. McCormack, who will succeed F. C. Whatley as general agent at Cincinnati, was born in Bowling Green, Ky., in 1895. He started his business career in 1915 as an automobile salesman. During the war he served as a captain of infantry, and upon his discharge, engaged again in the automobile business. In 1920 Mr. McCormack joined the Reliance Life, with which he continued as a personal producer until 1924, when he was made manager of the Kentucky department, and subsequently of the Ohio department. He resigned early in 1932 and became assistant general agent to S. T. Whatley who was the Aetna Life general agent at Chicago.

Mr. McCormack grew up in a life insurance atmosphere. His father, E. B. McCormack, joined the Reliance Life in

## Interesting Papers Listed for the Boston Meeting

### AUTHORITIES WILL BE HEARD

**Home Office Underwriters Association Announces Program for Forthcoming Spring Muster**

The Home Office Life Underwriters Association has announced the following program for its spring meeting in Boston, May 22-23. First day, morning, chairman, W. F. Rohlfis, secretary New York Life and president of the association; "Allocation of Functions in the Underwriting Department," G. W. Cheney, assistant secretary Phoenix Mutual, "Underwriting by Territories," C. V. Cornell, assistant supervisor Penn Mutual.

Luncheon, R. B. Gordon, vice-president State Mutual, presiding; W. L. Crocker, president, John Hancock Mutual, guest speaker.

Afternoon: Chairman, A. D. Reiley, supervisor of risks, Mutual Life of New York; habits, Ray D. Murphy, vice-president Equitable Life of New York; "Women," W. H. Tompkins, assistant supervisor of risks Mutual Life of New York; aviation, H. R. Bassford, assistant actuary, Metropolitan Life.

#### Hold Underwriting Clinic

Second day, morning chairman, Malcolm Adam, assistant vice-president Penn Mutual; underwriting clinic led by J. G. Late, Aetna Life.

Luncheon, Walter Tebbetts, vice-president New England Mutual presiding; G. W. Smith, president New England Mutual, guest speaker.

Afternoon chairman, W. H. Dallas, assistant vice-president Aetna Life; "Occupational Classification," R. J. Vane, Metropolitan Life; "Summary of Medical and Actuarial Papers," Morris Pitler, Mutual Life of New York; "A Cross Section of Modern Life Underwriting," J. M. Laird, vice-president Connecticut General; "Problems Resulting from Modification of the Volstead Act," Richard Flynt, supervisor of applications, Union Central.

## Advertising Men Confer on Promotion Problems

(CONTINUED FROM PAGE 4)

Acquisitive Instinct," a sales presentation which combines auditory and visual appeals. Jess F. Relyea, Security Mutual, told of a sales and advertising plan which is based on the agent's securing 20 prospects a week.

There is a growing tendency to charge agents for special sales literature and sales helps. More and more companies are using policyholders' magazines in the present emergency. Use of premium enclosures was also highly commended by all present.

1909 and become vice-president in charge of agencies. He was retired a year ago, and plans to associate himself with the Cincinnati agency with his son.

## Blanks Committee Meeting

NEW YORK, May 11.—The principal changes adopted by the blanks committee of the Insurance Commissioners Convention at its meeting here deal with the life companies reporting on their real estate. Revisions are subject to the convention's approval at its Chicago meeting June 1-2. Schedule A, part 1, of the life blank will hereafter classify real estate separately as to property under contract of sale and other real estate. These divisions will be further subdivided as to current year and prior years. The part of Schedule A,

part 2, showing real estate purchased during the year has been dropped. Part 3 of this schedule has been revised to separate information on property acquired during the year and during prior years. Part 3 of Schedule B was revised to consolidate in one item all amounts below \$10,000 and in another item amounts between \$10,000 and \$24,999. Mortgages above \$25,000 must be reported individually. Actuary W. A. Robinson of the Ohio insurance department is the chairman of the blanks committee.

**T**here was a time when men hesitated to enter the life insurance business, fearing that when they sold a man one policy that was the end of business relations with him.

Today a well-trained Underwriter very properly looks on a successfully completed sale of a policy as the beginning of a business relationship that may continue for many years.



## METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

ONE MADISON AVE., NEW YORK, N. Y.



**More cash in banks**

**More U. S. Government, state and municipal bonds**

**More insurance in force**

**More capital and surplus**

**Greater ratio of assets to policy liability**

As of January 1, 1933, compared to the previous year.

**The Great American Life of Texas has much to offer agents including a line of modern up-to-date policies and a liberal contract.**

Write the Home Office for open territory in Texas, Colorado, Louisiana, Idaho, Arizona and North Dakota.

## THE GREAT AMERICAN LIFE INSURANCE COMPANY

Chas. E. Becker, President

HOME OFFICE—SAN ANTONIO, TEXAS

"Where the sunshine spends the winter"

### See Benefits in the New Measures for Farm Relief

#### WILL HELP FARMERS TO BUY

#### Mortgages on Agricultural Lands Will Be Taken Entirely Out of Doubtful Class

The new farm relief and inflation law will undoubtedly take life insurance company investments in farm mortgages entirely out of the doubtful class and make those securities high grade throughout, in the belief of prominent life insurance men.

It will be of particular value in the relief of so-called "distress" cases, that is, of farm mortgages carrying delinquent interest, subject to unpaid taxes, etc. Under title 3 of the law it is provided that the distressed farmer may on the average appraised value of his farm between the years 1909 and 1914 borrow 75 percent, not in excess of \$5,000, of this normal value with which to pay off all or a part of his indebtedness to the insurance company. Under this provision it is believed that there will be very little if any loss to the insurance company which will receive in cash the amount furnished by the government and on which the farmer will have to pay only 4½ percent interest, or where there are no farm loan associations, composed of 20 farmers or more, 5 percent. The life insurance companies or other holders of farm mortgages will have nothing to do with the government under the provisions of title 3, but the transaction will be between the farmer himself and the government.

#### Will Not Trade Mortgages

It is not anticipated that the life insurance companies will do very much with title 2 which provides for the exchange of farm mortgages for government bonds at a lower interest rate because the companies will prefer to hold existing mortgages on good property on the present interest terms.

Title 1 of the bill is for the relief of farm loan banks which has only an indirect effect on life insurance mortgages.

Title 4, the last title, has to do with irrigated farms and special projects and will not greatly affect life insurance holdings.

The other farm relief features of the law will of course be of the greatest value in putting the farmer on his feet in increasing the prices he will receive for his products. Both inflation of the dollar and the domestic allotment provisions should increase the value of farms and make it possible for the farmer to pay off his indebtedness.

#### What Companies Need

In short, the new law is said to be just what the life insurance companies holding farm mortgages have wanted and needed in enabling the farmer to run his farm on a self-sustaining basis and to pay off his debts to the life insurance companies.

It is estimated that there are outstanding a total of eight to twelve billions in farm mortgages, probably a little over eight billions, of which the life insurance companies are supposed to hold 23 percent of the total, or say 2¼ billions. While various figures and estimates have been given out, it is a fact that no one knows more than approximately either how much the total farm mortgage indebtedness is, or what part the life insurance companies have.

"Life Insurance" by Associate Actuary J. B. MacLean of the Mutual Life of New York in its third edition is a revised work because of radical changes in the insurance situation with regard to a number of subjects. This is a most valuable book containing 20 chapters devoted to practical information of life insurance in its various phases. Price \$4, sold by The National Underwriter.

### Are You The Man We Want?

A "joy forever" is the life underwriter who can combine footwork with headwork. He knows that nothing can take the place of hard work, but that intelligent application of the right sales methods will increase the results achieved.

### COMMONWEALTH CORDIAL CO-OPERATION

Commonwealth Cordial Cooperation is not an automatic "cure-all" for your production ills; it is simply a tool—a flexible, keen-edged tool. It includes a line of policies that are unsurpassed, sales methods that equal all competition. It accomplishes great results in the hands of an underwriter who can use it intelligently. If YOU are searching for new ideas to improve your soliciting, there is a place for you in Commonwealth's scheme of cordial cooperation.

**COMMONWEALTH LIFE INSURANCE CO. LOUISVILLE, KY.**



## Jerome Clark Says Agents Are the Chief Worriers

### COMMENTS ON MORATORIUM

#### Union Central Life Vice-President Finds Policyholders Are Not Solicitous

NEW YORK, May 11.—The policy loan restrictions of the various states are worrying the agents more than the policyholders, in the opinion of Vice-President Jerome Clark of the Union Central Life, who spent several days in New York City in connection with his trip here to address the New York City Life Underwriters' Association. Mr. Clark has been making an extended business trip and has had an opportunity of sizing up the reactions of policyholders and agents in many sections of the country.

#### Agents Not Yet Acclimated

The moratorium on loans and surrenders is really just another objection like those the agent is used to taking in his stride, Mr. Clark says. The difference is that it is new and the agent hasn't developed ways of meeting it. For that reason he allows it to get the best of him, and concludes that the restrictions have increased life insurance sales resistance much more than actually is the case.

The moratorium is no more insuperable an objection than the prospect's familiar plea that he has all the insurance he can afford or has a friend in the business, Mr. Clark believes, but sales talks must be adjusted to meet it.

#### Hostetter With Home Life

##### General Agent of the Mutual Trust Life at Peoria Returns to Native State

D. H. Hostetter has been appointed general agent for the Home Life of New York at Fort Wayne, Ind. He has been general agent at Peoria for the Mutual Trust Life of Illinois. He is a native of the Hoosier state and is returning to territory where he was formerly active in the insurance business. He is a graduate of Wabash College. After graduation he taught school four years. He started in the insurance business in 1924 with the Mutual Benefit at Union City, Ind. and went to Fort Wayne later the same year as district agent for the Mutual Benefit. In 1930 he went with the Mutual Trust Life, spending one year at the home office as agency assistant, supervising Illinois, Michigan and Ohio territory and then going to Peoria as general agent.

#### Illinois Life Case Dragging

##### Federal Judge Has Proposed Reinsurance Deal Under Advisement—Stevens Lose Decision

Decision as to the proposed reinsurance of the Illinois Life in the Mutual Protection Life formed by James S. Kemper and interests, still was unknown this week. Federal Judge Wilkerson took the matter under advisement two weeks ago after hearings extending over the six months since the Illinois Life failed. He indicated that he would require several weeks to review the mass of testimony and exhibits and analyze objections of several groups of interests.

Pending the decision, all details as to official staff and other arrangements for the Mutual Protection are being withheld by Mr. Kemper. It is reported that he has selected a nationally known and very able life company executive to head the new company, whose name will be

divulged if and when the reinsurance contract is approved.

Motions by J. W. Stevens and his son Ernest to quash indictments against them which grew out of the failure, were overruled by Circuit Judge Sullivan in Chicago this week. The state asked for an early trial.

It is questionable if the Illinois Life business will have much value if there is much more delay. A Chicago newspaper article stated there was only \$70,000,000 business remaining, whereas at the time of the Illinois Life failure there was more than twice that amount. There are a number of lists of policyholders in circulation, it is said, and the business has been heavily raided.

#### Tennessee Life Men Muster

##### T. C. Looney of Memphis Was Elected President of the State Underwriters Body

At the annual meeting of the Tennessee Life Underwriters Association at Chattanooga, T. C. Looney of Memphis was chosen president; R. C. Green, Nashville; Houston Brown, Knoxville; Clifford Blackburn, Memphis; A. M. Kinnard, Johnson City; B. K. Odom, Chattanooga, vice-presidents. Miss Nelle

Roache of Nashville was elected secretary and treasurer.

There were 300 men present from Tennessee, north Georgia and north Alabama. The address of welcome was given by A. V. Mozingo, vice-president Volunteer State Life. Ted M. Simmons, agency manager Pan America Life, G. Franklin Ream, field service manager Mutual Benefit Life, and Dr. Huebner of the University of Pennsylvania spoke at the morning session. During the afternoon there were four minute talks by A. W. Litz of Nashville, W. L. Ambrose of Knoxville and L. W. Rhodes, the vice-president. P. S. Moses of the Mutual Life of New York in Savannah gave a talk on "Self Organization." Insurance Commissioner J. S. Tobin of Tennessee spoke.

#### Provident's Indianapolis Meeting

Provident Mutual Life representatives from Columbus, O., Decatur, Ill., and Indianapolis met in Indianapolis Monday and Tuesday. M. L. Williams and E. A. Farrington, agency assistants, were present.

The general theme was "The New Deal." Mr. Williams discussed "The Provident's Place in the New Deal" and Ralph Lawrence of Columbus, "Mental Attitude Necessary for the New Deal."

Mr. Farrington discussed "The Protector—the New Deal Policy," and A. G. Shoptaugh, Indianapolis general agent, talked on "Business Insurance."

#### Goldfarb Made Manager

Louis Goldfarb has been appointed by the Equitable Life of New York to succeed the late Harris Mindlin as manager of the office located at 123 William St., New York City. Mr. Goldfarb had been associated with Mr. Mindlin since entering the life insurance business 14 years ago and during all but a few months of that time was assistant manager. Prior to going into life insurance he was a high-school teacher.

#### Cobb Acting President

George E. Cobb, for 12 years vice-president of the North American Union Life of Chicago, is acting president following the death of Louis K. Cleaveland, president. The annual election will be held in the fall.

#### Celebrating Manly Month

According to custom of past years, May is being celebrated as "Manly Month" by Indianapolis Life representatives, in honor of President F. P. Manly, whose birthday is May 28.



## ORGANIZED SELLING METHODS

have as their basis an intensive plan of work  
with actual sales, which experience proves  
to be inevitable, the secondary consideration

## THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota

## Metropolitan Has Enthusiastic Meet

(CONTINUED FROM PAGE 3)

to continue in its relatively favorable position on this score, there can be no assurance that general conditions will permit the maintaining of present dividend scales, and that even though it is pointed out to prospects that future dividends are not guaranteed, undue emphasis on dividends is likely to make the policyholder disappointed if the existing scale should have to be lowered. For this reason the company plans to discontinue distributing 20-year scale illustrations, he said.

### Passes Billion Mark

Calling attention to the fact that the company has passed the billion-dollar mark in the payment of group insurance benefits, including group disability and group accident and health, J. E. Kavanagh, second vice-president, gave some interesting sidelights on the magnitude of the company's group business.

In the rapidly expanding field of group annuities, the Metropolitan is its own largest customer, its annual premium on its own contract being about \$10,000,000. Former Metropolitan employees numbering more than 1700 are now drawing pensions because of this arrangement, and the average of their annuities is more than \$100 a month.

Of this number more than 300 retired on account of disability rather than old age.

Mr. Kavanagh suggested that almost every rejected application for ordinary insurance constitutes a lead for a group sale. If the declined applicant works in a plant large enough to get group coverage, the agent can go to the employer and point out to him that the only way the impaired employee can get life insurance is through a group contract.

### Tells of Welfare Work

The importance of the company's welfare work to the agent was brought out by W. P. Shepard, assistant medical director. The principle of "risk-mitigation" goes back to ancient times and Dr. Shepard cited present day examples such as elevator and steam boiler insurance, in which 25 percent and 38 percent respectively of the premium is spent on inspection and prevention work. Pointing out that the company last year paid \$22,000,000 on deaths due to heart disease, he stressed the fact that even a small percentage saving on these deaths would have resulted in large monetary gains. He said that the \$15,500,000 which the company paid on deaths due to cancer could have been cut at least 25 percent if all the suggestions contained in the company's pamphlets on this subject had been followed.

As to the natural question as to why more has not been done in risk-mitigation in the life field, Dr. Shepard said

that life insurance is a relatively young branch of the business and has only come into its own in the last 75 years. The public's tendency to take a fatalistic attitude about health has not yet been wholly overcome and it is here that the agent can do a great deal of good if he will talk the subject of health to his policyholders in the natural course of conversation.

### Must Not Neglect Debit

Metropolitan agents should remember that the company's leadership in ordinary business was established on a foundation of industrial business, H. D. Wright, third vice-president, declared, warning that neglect of the industrial debit would cause agents to slow up in the production of ordinary. Agents who have left to go with other companies, he said, have often found that the absence of a debit with its large source of contracts made the writing of ordinary business much more difficult. He also urged the agents to do more straight canvassing and not rely too much on increasing business already in force.

C. G. Taylor, Jr., third vice-president, suggested that managers and agents can do much toward favorably influencing public opinion toward life insurance. He pointed out that men in the field are often in the position to get advance information on unwise legislative proposals.

H. R. Bassford, assistant actuary, spoke on the public trend toward annuities and cited cases to which the various types of annuity contracts are suited. He said that life income options in policies are recommended in far too few cases.

### Increase in Claim Litigation

H. C. Bates, assistant general counsel, mentioned the increase in claim litigation mostly among total and permanent disability cases. Most of the increase he attributed to present economic conditions.

Mr. Ecker presided at all the general sessions and spoke on the first day. Other speakers at the various sessions included Leroy A. Lincoln, vice-president and general counsel; E. H. Wilkes, second vice-president; F. M. Smith, third vice-president; S. M. LaMont, third vice-president; W. J. Williams, third vice-president, and Secretary William C. Fletcher.

The convention concluded with a banquet Saturday night.

## Hold Hearing May 17 on Illinois Qualification Law

A number of amendments to Superintendent Palmer's uniform qualification bill for all producers will be sought by various interests in a hearing May 17 before the house insurance committee of the legislature. The Association of Life Insurance Presidents is reported to be drafting a bill to exempt life agents. At a number of conferences of the insurance advisory committee in Chicago, accident and health men have held out strongly for their class to be excepted.

The bill to create a separate insurance department (H. B. 631) was passed by the house and was in the senate insurance committee this week, action being expected immediately. This measure appears very likely to pass.

### Pacific Mutual's Attitude

The Pacific Mutual announces that generally whenever existing accident and health coverage, including permanent total disability indemnity, non-cancellable insurance or waiver of premium only on life policies, or any combination of these benefits, exceeds the present limit of \$300 for non-cancellable insurance or the combined limits for non-can and permanent total disability, it will not favor increasing any disability coverage.

## Restrictions Are Modified By Maryland Commissioner

Commissioner Walsh of Maryland has amended the emergency regulations rescinding all restrictions on industrial policies; permitting loans and cash values for continuance of payroll or for educational purposes; such loan or cash value may be allowed, not to exceed the value provided for in the policy; and providing: "Cash surrender values may be allowed and policy loans may be made in accordance with the provisions of the policy or contract, to the extent required to relieve immediate need, if the policyholder shall satisfy the company by reasonable evidence that the withholding of the cash surrender value or loan would result in hardship to the policyholder or to his dependents."

Moratoria on loan and surrender values placed in effect in other states were declared by Commissioner Sullivan to have no effect in the state of Washington. He has issued an order insisting that all policy contracts with Washington citizens must be complied with fully.

There should be no moratorium extended to life companies until the salaries of their higher officials have been reduced, Assemblyman Balzer of Milwaukee declared in a resolution which has been offered in the Wisconsin legislature. The resolution condemns the attitude of the companies which are paying such allegedly extravagant salaries to officers and yet refusing to "live up to their contracts with their policyholders."

The resolution directs the commissioner to modify the emergency orders so that no company which pays a salary in excess of \$25,000 shall be permitted to take advantage of the permission to suspend payment of cash surrender values or the making of policy loans.

Delaware has rescinded its emergency regulations relative to industrial insurance.

### Palmer Banquet Committee

Plans are now being formulated for a big banquet for Superintendent Palmer of Illinois to be held in Chicago either May 31 or June 1.


The committee in charge consists of J. C. Harding, western manager Springfield F. & M.; E. A. Henne, vice-president America Fore companies; John F. Stafford, Sun of England; O. E. Aleshire, Parker, Aleshire & Co.; Charles Buresh, Fred S. James & Co.; Lyman M. Drake, Critchell, Miller, Whitney & Barbour; R. M. Magill, Wiley, Magill & Johnson; Allan I. Wolff, Klee, Rogers, Loeb & Wolff; Hugo Dalmar, Hugo Dalmar & Co.; Rockwood Hosmer, R. W. Hosmer & Co.; A. S. Schwartz, broker; C. H. Burras, Joyce & Co.; H. A. Behrens, Continental Casualty; J. E. Callender, Ocean Accident; John R. Hastie, Mutual Life of New York; R. R. Reno, assistant manager Equitable Life of New York; J. S. Kemper, Lumbermen's Mutual Casualty; John L. Wilds, Protection Mutual; Hamilton Loeb, Eliel & Loeb; J. S. Glidden, Chicago Board, and L. E. Yager, L. E. Yager & Co.

A meeting was held Tuesday to start planning for the function.

### Small with Lincoln National

The Lincoln National has named E. H. Small Seattle general agent. At the age of 21 he was named assistant postmaster at Sand Point, Idaho, and later won the post of postal inspector, having charge of some 3,700 postal employees and 600 postoffices. In 1927 he went with a savings institution as sales manager. Later he held an executive position for a securities corporation. He started in the life insurance business as an agent.

The Postal Life & Casualty of Kansas City has started work on a new home office building at 4727 Wyandotte street.



**A Young Man's Company...**

CENTRAL LIFE is 37 years old . . . a mutual company . . . soundly managed . . . progressive . . . offering a complete line of contracts . . . congenial home office folks. Truly a young man's company.

**CENTRAL LIFE Assurance Society**  
(MUTUAL)

DES MOINES IOWA



## Thompson Sees Emergency Regulations as Beneficial

### OVERSTRESS ON INVESTMENT

Reviews Current Problems in Presidential Address to Actuarial Society—  
Aviation Rating Up

NEW YORK, May 11.—Belief that ultimate net results of present emergency regulations "will not be otherwise than beneficial, however distressing the present experience may be," was expressed by J. S. Thompson in his address as president of the Actuarial Society at its annual meeting here. Mr. Thompson, who is vice-president and mathematician of the Mutual Benefit Life, said the present structure of life insurance has been built up on the merits of whole life insurance as distinguished from term insurance or assessment insurance.

#### Investment Side Overstressed

The appropriate use of the investment feature is indispensable, he said, but it may be that the investment characteristics of life contracts have been overstressed or at any rate stressed as against the protection element, and any development which restores the emphasis to the fundamental protection of life contracts tends to place the emphasis where it belongs. Even if the rate of growth is not so rapid, the structure will be more stable. Mr. Thompson expressed confidence that inflation would not be allowed to get out of control and produce disastrous results like those experienced in Germany.

#### Aviation Ratings Reviewed

J. E. Hoskins, assistant actuary, Travelers, recommended approximate ratings for aviation pilots based on statistical data in the reports of the society's aviation committee, with allowance for the probable trend of mortality in the various groups and the probability of adverse selection through the greater likelihood of the poorer risks within a group to apply for insurance as compared with the better risks.

## Right to Open and Close in Cases Termed Valuable

The privilege of opening and closing a life insurance suit where defenses are all affirmative, most frequently accorded the plaintiff, is a valuable one which companies' counsel should make every effort to gain. A. W. Fulton, counsel in Chicago for a number of fraternal, told the Insurance Lawyers Club there in the May meeting. He expressed belief if life counsel prepared their cases carefully to this end there would be very few in which they would not be entitled to it.

#### Recent Decision Is Cited

The question was satisfactorily settled in Illinois only recently by the supreme court, which ruled that the right to open and close is a substantial one which is a corollary to the burden of proof; that it is not a matter in the discretion of the trial judge but rests with the party asserting the affirmative of an issue and who must present proof to prevent judgment against him. The case is Liptak vs. Security Benefit Association. Until this decision the point was not settled as grounds for reversible error.

A large part of the confidence of claimants' attorneys in conferences over settlement would be eliminated if life companies would fight more for the privilege, as the effect of the closing argument on juries is well known. J. M. Allen read a paper on forfeiture as affected by part payment of premium and Homer Cooper, attorney New York Life, told of an interesting suit.

## Honorary Members to Attend \$1,000,000 Parley

M. J. Donnelly of New Castle, Pa., chairman of the million dollar round table for 1933, announces that 100 percent of the honorary members of the round table for 1933 have registered to attend the round table breakfast to be held in Chicago Sept. 27.

The following 57 million dollar producers comprise the honorary membership roll. The qualification for this distinction is based on three consecutive years production of a minimum of \$1,000,000 of paid for business:

Albright, Dr. E., Northwestern Mutual, Milwaukee; Anderson, C. Vivian, Provident Mutual, Cincinnati; Austin, H. F., New York Life, Patchogue, N. Y.; Binder, H. A., Massachusetts Mutual, San Francisco; Bloom, L. B., Travelers, New York; Brown, M. P., Equitable Life, N. Y., Philadelphia; Brown, R. A., Pacific Mutual, Los Angeles; Bunting, L. H., Equitable Life, N. Y., New York; Clark, Paul F., John Hancock, Boston; Clayton, J. E., Mutual Benefit, Newark; Colby, R. L., Franklin Life, Indianapolis; Dahle, Isak, Equitable Life, N. Y., Chicago; Davidson, Clinton, Estate Planning Corp., New York; Davis, H. I., Massachusetts Mutual, Atlanta; Darby, R. U., Massachusetts Mutual, Baltimore; Donnelly, M. J., Equitable Life, N. Y., New Castle; Duff, Wm. M., Equitable Life, N. Y., Pittsburgh; Eisendrath, J. M., Guardian Life, New York; Eubank, G. A., Prudential and Home Life, New York; Fooshe, J. D., Jr., Prudential, Washington, D. C.; Freeman, J. D., Equitable Life, N. Y., Baltimore; Freudberg, L. V., Massachusetts Mutual, Washington, D. C.; Garic, Henry, Massachusetts Mutual, New Orleans; Goldstandt, Fred S., Equitable Life, N. Y., New York; Hemmendinger, Max, Mutual Benefit, Newark; Hirschfeld, Isidor, Equitable Life, N. Y., New York; Hopkins, Albert, Penn Mutual, New York; Jones, J. D. E., Equitable Life, N. Y., New York; Rude, L. G., Mutual Benefit, Lima, Ohio; Lackey, G. E., Massachusetts Mutual, Detroit; Lauer, Jack, Penn Mutual, Cincinnati; Lillis, E. M., Northwestern Mutual, Erie, Pa.; Linder, Maurice, broker, Brooklyn; Manning, E. G., John Hancock, Boston; Mellor, Sigourney, Provident Mutual, Philadelphia; Riehle, T. M., Equitable Life, N. Y., New York; Rude, L. G., Mutual Benefit, Newark; Russell, Donald, Guardian Life, New York; Schwab, J. W., Indianapolis Life, Indianapolis; Scott, T. M., Penn Mutual, Philadelphia; Shoul, J. W., Mutual Life, Newburyport, Mass.; Shuff, J. L., Union Central, Cincinnati; Simon, L. G., Equitable Life, N. Y., New York; Smith, S. F., Connecticut General, Pittsburgh; Soforenko, Samuel, New York Life, Providence; Spencer, L. A., Equitable Life, N. Y.; Youngstown, O.; Stebbins, A. W., broker, New York; Steiner, Harry, Equitable Life, N. Y., Chicago; Stinde, E. B., broker, St. Louis; Sweeney, J. E. B., Equitable Life, N. Y., Wheeling, W. Va.; Taylor, H. L., Mutual Life, New York; Teachernor, Dix, Kansas City Life, Kansas City; Vogelsson, S. I., Equitable Life, N. Y., Philadelphia; Weissman, S. D., Equitable Life, N. Y., Boston; Weems, Sam R., Minnesota Mutual, Dallas; Wilson, J. H., Massachusetts Mutual, Peoria; Wright, H. T., Equitable Life, N. Y., Chicago.

## President Fry Comments on Conditions in the Field

Rupert F. Fry, president of the Old Line Life of Milwaukee, who has been in the business many years, makes some comment on conditions in the field that are interesting. In all his experience, he said, he has never seen such a demonstration of unethical practices in the

field in the attempt to induce people to cash in their policies in companies that are thoroughly sound. He said that both field and home office men are making every attempt to correct tactics of this kind. In days of prosperity, when life insurance production was going strong, many people who were able to show a record for volume and great progress really hid behind the skirts of prosperity, he contends. President Fry states that the Old Line Life recently joined in with the 60 odd companies that are working together to minimize twisting. Mr. Fry says:

"We have in the past been very careful in our selection of men. Experience during the last two or three years confirms our resolve to be even more selective in the future than we have in the past in appointing a man to approach the public and represent us in this business. It is gratifying to note that the men behind the guns in the field are showing an alertness in weeding out the undesirables and aiding those who wish to give service to their old policyholders and clients."

#### P. S. Straus N. Y. Life Director

Percy S. Straus, president of R. H. Macy & Co., has been elected a director of the New York Life for the unexpired

## Status of Policy Where Death Claim Has Arisen

A subscriber has made inquiry as to the status of a policyholder in a failed legal reserve life company where death occurs between the time of the appointment of a receiver and the time a contract goes into effect with another company whereby the policyholders are taken over. A receiver has no authority to pay death claims or in fact any other unless the court so orders. In the cases of a receivership so far, with few exceptions, the company taking over the policyholders has agreed to pay death claims. The receiver proceeds with the thought in mind that all death claims, both those accrued up to the time of the receivership and those up to the time of contract with another company, will be paid in full. Therefore proof of loss blanks and everything in connection with the death claim should be filed so that when the claims are paid all details will have been completed. There is no provision, of course, to pay surrenders and loans.

term of his brother, J. I. Straus, who was recently appointed United States ambassador to France.

## ORIGINATORS OF THE FAMILY INCOME POLICY

### A "3 in 1" Contract— Limited Payment Life or Endowment

Every Ten, Fifteen or Twenty Payment Life policy issued by this Company provides not only for the reduction, *without medical examination*, to Ordinary Life, but also for the continuation of the same premium to mature the policy as an Endowment in a definite number of years, even though *dividends* are used annually to *reduce premiums*.

Combined in one contract are all the advantages of the Limited Payment Life, Whole Life and Endowment plans.

**Continental American**  
**Life Insurance Company**  
**Wilmington, Delaware**

## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York  
E. J. WOHLGEMUTH, President

HOWARD J. BURRIDGE, Vice-President and General Manager

JOHN F. WOHLGEMUTH, Secretary

W. A. SCANLON, GEORGE C. ROEDING AND O. E. SCHWARTZ, Associate Managers  
PUBLICATION OFFICE, 41946 Insurance Exchange, CHICAGO. Telephone Wabash 2704  
CINCINNATI OFFICE, 420 E. Fourth St., Tel. Parkway 2140. RALPH E. RICHMAN, Manager  
ABNER THORP, Jr., Director Life Insurance Service Dept.

### NEW YORK OFFICE

Room 808-123 William St.,  
Tel. Beekman 8-9558

### EDITORIAL DEPT.

GEORGE A. WATSON, Associate Editor  
R. B. MITCHELL, Assistant Editor

### BUSINESS DEPT.

NORA VINCENT PAUL, Vice-President  
W. J. SMITH, Resident Manager  
ALBERT S. CUTLER, Manager Industrial Dept.



### DES MOINES OFFICE

637 Insurance Exchange  
R. J. CHAPMAN, Resident Manager

Subscription Price \$3.00 a year; in Canada, \$5.50 a year. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year; Canada, \$10.50. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

C. M. CARTWRIGHT, Managing Editor  
LEVERING CARTWRIGHT, Asst. Man. Editor  
FRANK A. POST, Associate Editor  
CHARLES D. SPENCER, Associate Editor  
DALE R. SCHILLING, Associate Editor

### SAN FRANCISCO OFFICE

407-S Flatiron Bldg., Tel. KEarney 3054  
FRANK W. BLAND, Resident Manager  
MISS A. V. BOWTICK, Pacific Coast Editor

### DALLAS OFFICE

1514 Kirby Bldg., Tel. 2-4491  
FRED B. HUMPHREY, Resident Manager

### PHILADELPHIA OFFICE

838-123 S. Broad St., Tel. Pennypacker 3706  
C. A. JOHNSON, Resident Manager

### DETROIT OFFICE

1015 Transportation Bldg., Tel. Randolph 8994  
A. J. EDWARDS, Resident Manager

### ATLANTA, GA., OFFICE

204 Atlanta National Bank Building  
SETH WHITZ, Resident Manager

## Finer Traditions Are Needed

WHAT life insurance needs now is a more professional, conscientious attitude towards the business itself. There has grown up in some companies a very high regard for the interest of policyholders. There is no commercialization seen in such offices. There is no profiteering or exploitation. Unfortunately in recent years the promoter has played havoc with life insurance and a spirit of commercialization has entered its house.

Life insurance has been subjected to the same influences as banking. Since 1923 there have been some 7,000 bank failures in the United States, not counting the ones that will not reopen on account of the recent moratorium. During that time there has been only one Canadian bank failure. During the last 65 years there have been but 26 bank failures in Canada. Since the Dominion was established, depositors through bank failures have lost less than \$14,000,000.

A writer in the "New Outlook" in speaking of banking said: "Proponents of branch banking sometime imagine that Europe and Canada have strong banking systems because of it and America a weak structure because of a general lack of it. The difference and the explanation for the dissimilar fate to which the depositors here and abroad have been subjected lie far deeper. There is a difference not only in structure but in practices. There is also a wide difference in tradition. To the best of my knowledge and belief there is also a difference in the type of men who go

into banking here and abroad. In western Europe, banking is regarded as a profession. Here it has been a game or a business that any group with \$10,000 in promissory notes could enter. It has been a fertile field in recent years for the promoter and even for the racketeer. Small wonder that an angry public not long ago put into circulation the word 'bankster.' In Europe the class with its unwritten laws and its code of ethics and conduct controls the behavior of the bankers far more than does legislation, of which there is far less than here."

That is a perfect analysis of the difference between the banker who has the interest of his depositors at heart and the one who is out chiefly for himself, directors or his stockholders. We need much of the Canadian or European banking attitude and spirit in our life insurance management. So long as a management considers the funds of life companies as a sacred trust and shapes the whole structure to their safeguarding, exploitation of policyholders' investments will be absent. The professional promoter, the man seeking mercenary gains for himself and his associates, the life insurance brigand, have brought into life insurance management a most undesirable type of official. The funds of policyholders have been used for speculation and personal gain. It is to be hoped that a finer tradition will be developed in this country in life insurance management.

## When Salesmanship Counts

WHEN does the capacity, knowledge and ingenuity of the insurance salesman come to its full fruition? Certainly extraordinary talents are not needed when the prospect is in the mood to

buy. It is when he assumes a negative or indifferent attitude that the real powers of the successful salesman are seen. That gives a chance to prove he is a salesman, not a mere order-taker.

## Force a Positive Attribute

A MAN that has will and determination can make headway in spite of any discouragement and obstacles. Today in a world of torment and trouble, force becomes a primary attribute. This does

not mean physical force so much as mental and spiritual. Where one finds a man of power he is not only benefiting himself but making a place for others.

## PERSONAL SIDE OF BUSINESS

T. H. Daniel, general agent in Atlanta for the Union Central, celebrated his 35th anniversary with the company May 1. He started in the agency at the age of 19 as an office clerk, and later became an agent. He was made associate general agent at 20. A short time after this a vacancy occurred in the general agency and Mr. Daniel was chosen for the post.

The Daniel agency has more than \$50,000,000 of insurance on the books.

A. F. Sommer, Cincinnati manager of the Metropolitan Life, has been elected president of the Metropolitan Life Insurance Veterans' Association. He has been affiliated with the Metropolitan for 39 years and has served 26 years as manager at Cincinnati. The association has 4,711 members, including representation in Canada. His new position will require that he travel extensively.

Mrs. Gerard S. Nollen, wife of the president of Bankers Life Company of Iowa, underwent an operation at a Des Moines hospital last week. Her condition is reported favorable.

O. J. Lacy, vice-president of the Minnesota Mutual Life, is undergoing an unpleasant experience. For six weeks he was confined to a hospital because of a sacro-iliac affliction. He is now at his home pretty well enclosed in a cast. Mr. Lacy is a vigorous man and his friends are distressed at his confinement.

Robert Merriman, vice-president of the Scranton Life, Mrs. Merriman, their two children and Mr. Merriman's father have sailed on the S. S. Volendam for Rotterdam, Holland. They plan to visit The Hague, Amsterdam, Utrecht, Brussels, Paris, London and Nottingham, birthplace of Mr. Merriman's father.

The Detroit agency of the Acacia Mutual Life, of which P. E. Vandermade is manager, had the biggest week in its history last week, \$131,000 worth of business being turned in by the eight men under contract.

George E. Lackey, recently transferred from the Oklahoma general agency to the Detroit general agency of the Massachusetts Mutual Life, was guest of honor and speaker at the May meeting of the Oklahoma Association of Life Underwriters. In addition to farewell messages, Mr. Lackey called attention to the opportunities and responsibilities of the life insurance underwriter today. He is past president of both the National and the Oklahoma Life Underwriters associations. He is leaving this week with his family to make their home in Detroit.

Frank W. Persons, 52, general agent in Salt Lake City for the Northwestern Mutual Life, died last week. He was prominent in the Utah Life Underwriters Association.

W. R. C. Kendrick, former Iowa commissioner, and recently vice-president and general counsel of the Royal Union Life of Des Moines, has opened a law office in Des Moines. He will specialize in insurance law, but also will engage in general practice.

J. E. Higdon, chief examiner for the Missouri insurance department and father of J. C. Higdon, vice-president in charge of sales of the Business Men's Assurance, is in a Kansas City hospital for two weeks' treatment and diagnosis.

J. A. Campbell, supervisor of agencies of the New York Life in Chicago and agency director of the central

branch there for many years, died of cerebral hemorrhage after lying in a coma two weeks. He was the right hand man to R. E. Whitney, inspector of agencies, and highly respected and loved by all New York Life men and a host of friends. The funeral was held Tuesday. Mr. Campbell started in the St. Paul branch of the New York Life as a clerk in July, 1891, when Vice-President Walker Buckner was agency director there. In 1896 he became cashier, late in 1901 was promoted to branch instructor and became agency director in St. Paul in March, 1902. Jan. 1, 1904, he was transferred to Chicago as agency director in charge of the Fisher branch, when it was consolidated with the central branch. He had a fine record, building one of the company's largest branches, which in 1907 had paid volume of \$6,295,000, with only \$147,000 from new organization, and in 1925 over \$20,000,000 with \$2,591,000 from new men. The central branch for some years has been one of the company's four \$20,000,000 agencies and has been a training ground for agents. Mr. Campbell was appointed supervisor of agencies on Jan. 1, 1926.

Marshall V. Watson, 72, for the past 20 years associated with the Kansas City Life, head of the old Commercial Club, now the Chamber of Commerce, died in Kansas City May 6. He was an executive of the Orient railroad at one time. For the past six years he had been manager of city premium collections for the Kansas City Life.

R. R. Richardson, general agent of the Equitable Life of New York at Norfolk, Va., has completed 35 years continuous service with the company. He has built up a successful organization and during all his period of service his personal production averaged over \$250,000 a year. There was an anniversary luncheon in tribute to him. Manager E. R. Jeter of Rock Hill attended on behalf of the southern managers. Superintendent Hale was present from the head office.

Edward O. Stanley, counsel of the Mutual Benefit Life, will speak at the annual convention of the New Jersey Bankers Association on "Life Insurance Policies as Bank Collateral."

Wallace C. Stacy, who was connected with the Tennessee insurance department at Nashville, died suddenly of a heart attack in Chattanooga at the age of 59. He was formerly secretary of the Volunteer State Life and later secretary and agency supervisor of the Provident Life & Accident.

Three officials of the Reliance Life, who have been continuously in its employ since it started 30 years ago, were honored by home office people at a testimonial luncheon last week. Executive Vice-President H. G. Scott, Vice-President and Actuary J. N. Jamison and Treasurer W. J. Snodgrass were the guests of honor. They started with the company when it opened its office May 4, 1903. Mr. Scott began as a clerk and typed the first policy. Mr. Jamison began as a clerk. Mr. Snodgrass started as assistant treasurer. Dr. O. M. Eakins, vice-president and medical director, presided. President A. E. Braun and the three honored officials gave talks.

G. F. Claypool, executive vice-president of the Continental Assurance, was the principal speaker at a banquet in St. Louis in honor of John L. Kelly, newly appointed manager there. Other speakers were Mayor B. F. Dickmann of St. Louis and D. Miley Phipps, director of field service for the Continental.



## NEWS OF THE COMPANIES

### New Ohio National Statement

Now Has Nearly 40 Million Assets—  
Over 13 Million in Gov-  
ernment Bonds

The new statement of the Ohio National Life after the reinsurance of the Bankers Reserve Life of Omaha, just issued, shows total admitted assets of \$39,472,621, liabilities of \$36,785,188 and surplus to policyholders of \$2,687,432, the latter item made up as follows: Reserve for real estate depreciation, \$113,978; asset fluctuation fund, \$744,719; net surplus, \$1,000,000, and capital, \$828,734.

The assets include: Government, state and municipal bonds \$13,344,151; federal land bank bonds, \$507,228; railroad bonds, \$79,893; other bonds, \$552,667; mortgages, \$10,399,985; policy loans, \$9,677,884; real estate, \$2,507,298; premium notes, \$350,070; cash, \$555,710; due and accrued interest, \$693,375; due and deferred premiums, \$1,055,090. The non-admitted assets, not included in the totals, are \$322,016.

The home office equipment, records, etc., are being removed rapidly by truck from Omaha to Cincinnati, where the Ohio National has taken additional space in the Duttenhofer building. Eventually the Ohio National may be removed to the building which the company purchased some time ago for home office purposes on Reading road, but for the time being at least the home office will be continued in the Duttenhofer building. Secretary S. J. Blashill will remain for some time at the Omaha office, until the transfer is complete. President T. W. Appleby returned Saturday after an extended absence in Omaha and the west. He spent a few days at his farm in the Ozark mountains.

### American Central's April Record

The number of field men who produced applications in April showed a 25 percent increase over the number writing business in March for the American Central Life of Indianapolis. Two-thirds of the superintendencies also showed an increase in volume of completed applications for April over March.

This showing seems to indicate that, regardless of the effect of banking holidays and limitations upon payments by life companies to policyholders, field men are meeting with greater success in closing business than for some time. It likewise indicates that the new prospect is just as good a candidate for protection as in the past.

### Continental American Record

The Continental American Life of Delaware announces that its new business for April was 39 percent ahead of April of last year in volume and 26 percent in cash premiums.

### Christie Named Vice-President

M. F. Christie has been elected a vice-president of the Great-West Life of Winnipeg to succeed the late Sir Daniel H. McMillan, who was also a director. H. E. Sellers, prominent Winnipeg grain and elevator man, who is also identified with many financial institutions there, has been named to fill the vacancy on the directorate.

### Federal Union Takes Business

Judge Ford of Frankfort, Ky., has approved the contract whereby all Kentucky ordinary business of the Equitable Life & Casualty of Louisville is taken over by the Federal Union Life of Cincinnati. The Federal Union would not agree to pay any death claims that were incurred prior to the execution of the agreement.

### Will Liquidate Fraternal

Receivers Are Now in Charge of the  
American Insurance Union of  
Columbus

Insurance Superintendent Warner of Ohio and H. M. Bennett, who were appointed receivers for the American Insurance Union, the fraternal of Columbus, O., will liquidate it. It was founded in 1894. It sold insurance at a low rate. The American Insurance Union, Inc., was started March 21, 1929, as a legal reserve company and was licensed Jan. 10, 1931. The legal reserve company entered into a reinsurance contract, promising to take over the members of the fraternal without medical examination at their attained age rate of premium. The transfer was made on the American Experience Table 3 1/4 basis. The legal reserve company is not involved in any way through the failure of the fraternal. The new company is not liable for the unpaid claims or other liabilities of the fraternal. The fraternal found that its claims had increased to an extent where it had not the resources to meet them.

The American Insurance Union citadel is owned by the fraternal, but there is a trustee deed against it in the name of M. L. Straus, for \$3,426,000. There are unpaid claims against the fraternal amounting to about \$1,710,000. Judge Warner will receive no compensation for his services nor will Attorney General Bricker, named as counsel in the case with P. S. Bradford of Columbus. Mr. Bennett has furnished bond of \$50,000.

### Take Action on Union National

Superintendent Warner has asked the attorney general to bring action in the court of appeals at Columbus for authority to take over for liquidation or rehabilitation the Union National Life of Charleston, W. Va., formerly the Gem City Life of Dayton, which is still an Ohio corporation. It is asserted that the company is insolvent and has death claims for between \$60,000 and \$80,000 unpaid. The company has consented to the action of the superintendent.

### Locke Executive Vice-President

Monell Sayre has resigned as executive vice-president and director of the Church Life of New York City. Bradford B. Locke has been elected in his stead. Lenore M. Little has been chosen secretary. Newcomb Carlton resigned as director.

### Few Unlicensed in Wisconsin

MADISON, WIS., May 11.—Compared to the total number of companies operating in Wisconsin, the number not yet licensed is small, Commissioner Mortensen says. He is holding hearings on financial condition for those companies which have requested it.

Although Mr. Mortensen is making no comments on the hearings, it is known that some companies have been pointing out that their position has improved with increased valuations of securities and prospects of inflation, but have not been given any definite satisfaction until it is proved that this is more than temporary.

### Life Company Notes

The *Majestic Sentinel's*, a Chicago fraternal, has had its license canceled by the Illinois department and has been referred to the attorney general for liquidation.

A new assessment company is launched at Jonesboro, Ark., the *Neighbors Life*. G. G. Brooks is supervisor of agents. H. B. Thorn is president.

Commissioner McClain of Indiana has asked the attorney general to make application for a receiver for the *American Assurance*, an assessment life company of Kokomo, Ind.

## We Nominate For the Hall of Fame



... The school teacher who continued her cheerful "Good morning, children," even though she went for days without breakfast. . . . The graduate who confidently entered a business world under supreme handicaps. . . . The family that calmly made the best of a reduced income. . . . The laborer who uncomplainingly took "part time pay" rather than see his comrades laid off. . . . The clerk who didn't let successive salary cuts upset his pleasant temperament. . . . The banker who protected his depositors before all other interests. . . . The manufacturer and merchant who kept his plant running and doors open, in spite of financial loss. . . . The policeman who shot it out with bandits at the risk of his life for a few paltry dollars. . . . The public official who didn't count the votes he lost when he slashed government expenditures.

... AND NOT LEAST AMONG THEM the thousands of insurance salesmen who did not lose faith in the soundness and necessity of their business, but maintained unflinching service to their policyholders and their prospects.

## AMERICAN CENTRAL LIFE INSURANCE COMPANY INDIANAPOLIS, IND.

## Interesting Facts

from the

## JEFFERSON STANDARD'S

Annual Statement January 1, 1933

|  |               |
|--|---------------|
| NEW INSURANCE ISSUED (PAID-FOR BASIS) .....                                | \$ 36,440,100 |
| INSURANCE IN FORCE .....   | 328,270,890   |
| PAYMENTS TO LIVING POLICYHOLDERS IN 1932 .....                             | 6,387,683     |
| PAYMENTS TO BENEFICIARIES IN 1932 .....                                    | 2,852,580     |
| TOTAL PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES .....                    | 9,240,263     |
| TOTAL PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES SINCE ORGANIZATION ..... | 65,103,520    |
| RATIO OF ACTUAL TO EXPECTED MORTALITY .....                                | 59%           |
| INTEREST EARNED ON TOTAL INVESTED ASSETS .....                             | 5.5%          |
| ACTUAL INTEREST COLLECTIONS ON MORTGAGE LOANS IN 1932 AVERAGE .....        | 6%            |
| INTEREST PAID ON FUNDS HELD IN TRUST .....                                 | 5%            |

## JEFFERSON STANDARD LIFE INSURANCE COMPANY

Greensboro, North Carolina

JULIAN PRICE  
PRESIDENT

A. R. PERKINS  
AGENCY MANAGER

## Every Insurance Need

... can be filled with Security Mutual's complete line of policy contracts. Dividends and high cash values make possible the building of life insurance estates that combine protection and investment features to meet every individual and business requirement.

## Security Mutual Life Insurance Company

BINGHAMTON, N.Y.



1932  
ANOTHER YEAR OF REAL  
PROGRESS FOR  
THE OHIO STATE LIFE INSURANCE  
COMPANY

The Company Not Only Increased Its  
ASSETS  
CONTINGENCY RESERVES  
SURPLUS  
CASH ON HAND  
UNITED STATES BONDS  
AND  
ITS LIQUIDITY

BUT, ALSO MADE AN OUTSTANDING  
PRODUCTION RECORD

While the Paid-For Volume of New Insurance Produced by All Companies in 1932 Was Only 81% of the Amount Produced in 1931, THE OHIO STATE LIFE FIELD FORCE INCREASED ITS PAID-FOR PRODUCTION TO 119% of Its 1931 Production—Thus, Making a Difference in Favor of the Oslico Field Organization of 38%.

The Ratio of SURPLUS to LIABILITIES  
Makes This One of the Strongest Life Insurance Companies in America



A REAL COMPANY FOR REAL MEN  
THE OHIO STATE LIFE INSURANCE COMPANY  
Columbus, Ohio

U. S. BRANDT  
President

F. L. BARNES  
Agency Vice President

## LIFE AGENCY CHANGES

### Atkins Now in New Position

Former Bankers Life of Iowa North Carolina Manager Takes State for Columbian National

J. L. Atkins of Durham, N. C., who has been manager of the Bankers Life of Des Moines, has taken a similar position for the Columbian National Life of Boston. He will handle the entire state. He takes over the Greensboro office and moves it to Durham. It has about the same amount of business in force in the state that the Bankers Life has. The Columbian National writes accident and health in addition to life and Mr. Atkins will therefore push all three lines.

### Irvin Hull

Irvin Hull has been appointed instructor of agents of the Detroit agency of the Mutual Life of New York. He has had three years' experience as professor of economics and business administration at the Utah State College, where he specialized in the principles of life insurance, investments and salesmanship. The past year he has studied insurance in all its aspects at the Wharton school of commerce and finance, University of Pennsylvania. J. B. Macken, associate manager of the Mutual Life, is in complete charge of new organization at Detroit.

### Emory Jenks

Emory Jenks, a personal producer, has been appointed Atlanta, Ga., general agent by the Pacific Mutual Life.

Following his graduation from Georgia Tech in 1923, where he achieved scholastic as well as athletic honors, Mr. Jenks secured a special insurance degree

at New York University in 1927. He was a past vice-president of the Junior Chamber of Commerce of Atlanta and is a native of that city.

### Herbert H. Jones

The Central States Life has appointed Herbert H. Jones manager of its St. Louis agency. For the past five years he has been connected with the life insurance department of one of the large insurance brokerage firms.

### Ben Thorp

Ben Thorp, for many years with the Federal Life in Texas, has been appointed Texas manager for the Colorado Life and Gibraltar Life & Accident, both of Denver, with offices in the Allen building at Dallas. He has had 20 years' experience in life and accident and health insurance.

### Bryson Loughridge

Bryson Loughridge has been appointed agency counselor of the Acadia Mutual Life in Detroit. He has been with the Mutual Life of New York's Detroit agency, of which he was formerly educational director. Previously Mr. Loughridge was assistant manager of the Prudential ordinary agency. He is also a former president of the Detroit Life Insurance Supervisors Association.

### Life Agency Notes

The Lincoln National Life has appointed H. R. Wiener manager of the life department of the A. P. Haldane Agency in Paterson.

The Great Republic Life of Los Angeles has appointed Ben Smith and E. M. Gossett of Smith & Gossett, general agents for Arizona, with headquarters at 301 Title and Trust Building, Phoenix.

## LIFE COMPANY CONVENTIONS

### Arrange Excellent Program

Massachusetts Mutual Agents Association Plans for Its Forthcoming Annual Meeting

At the annual meeting of the Massachusetts Mutual Agents Association at White Sulphur Springs, June 5-7, K. E. Williamson of Peoria, the president, will preside. President W. H. Sargeant of the company will give the address of welcome. Dr. S. S. Huebner of Philadelphia will speak on "These Times and Life Insurance." F. J. Van Stralen of Detroit will have charge of the beginners' meeting the first afternoon. On the second day, W. S. Smith of St. Louis, L. C. Appleman of Los Angeles and C. G. Keehner of San Francisco will speak. The Women's Federation will hold a meeting in the afternoon. On the third day C. A. Schaff of Rochester will give a sales demonstration on annuities. Demon-

strations on other lines will be given by C. R. Robb of Cincinnati and James Roberts of Pittsburgh. The closing talk will be by F. T. McNally of Minneapolis.

### Liberty National Agents' Cruise

The Liberty National Life of Birmingham has arranged with the United Fruit Company for a trip for its "Torch Club" on one of the fruit steamers. The agents that qualify will meet in New Orleans Aug. 15 to go on a 10-day cruise through the Gulf of Mexico and the Caribbean with stopovers at Havana and Tela, Spanish Honduras.

### Connecticut Mutual Regional Meet

General agents and producers of the Connecticut Mutual from Oklahoma City, Wichita, Denver, Omaha and Kansas City will meet May 24 at Wichita, Kan., with Vincent B. Coffin, superintendent of agents, and Fred Lyter, assistant superintendent of agents.

## NEWS OF LIFE ASSOCIATIONS

### Nominate Mulligan President

New York City Underwriters Name Guardian Life Assistant Manager—Sisley Second Vice-President

NEW YORK, May 11.—Frank J. Mulligan, assistant manager J. E. Bragg agency of the Guardian Life of New York, will be the next president of the New York City Life Underwriters' As-

sociation. His recommendation by the nominating committee was announced at the May meeting this week and nomination of the slate is equivalent to election.

Mr. Mulligan has been with the Guardian for the last seven years, until recently with the John C. McNamara Organization. He entered insurance with the L. A. Cerf agency of the Mutual Benefit Life, later transferring to the 42nd street office of the Aetna Life. Prior to taking up life insurance



was an advertising counselor to financial houses. He has been active in the local association, having been the first editor of the "Bulletin," its monthly publication. Later he was chairman of the publications committee, the membership committee and during the past year chairman of the executive committee.

Others on the slate are: For first vice-president, E. J. Sisley, Travelers; second vice-president, W. E. Diefendorf, Brooklyn manager, Mutual Life of New York; third vice-president, W. A. Sullivan, manager Metropolitan Life; secretary-treasurer, L. A. Cerf, Jr., Fidelity Mutual Life; executive committee: (field men), G. B. Dorr, Equitable Life of New York; Grant Hill, Northwestern Mutual; W. M. McDaniels, Aetna Life; J. H. Kull, Phoenix Mutual; W. S. Hale, Penn Mutual; D. H. Ward, Union Central; A. V. Youngman, Mutual Benefit; W. S. Verplanck, Mutual Life of New York; Lester Einstein, Equitable of New York; (general agents): J. M. Fraser, Connecticut Mutual; W. J. Dunsmore, Equitable of New York; Russell Simons, Home Life of New York; Lloyd Patterson, Massachusetts Mutual; Harris Wofford, Prudential; R. G. Engelsman, Penn Mutual; Ben Hyde, Penn Mutual; S. S. Wolfson, Berkshire Life; H. A. Schmidt, New England Mutual. J. M. Fraser was recommended for chairman of the executive committee, which includes also the incoming officers and all past presidents.

## Annual Meeting in Illinois

State Association Election and Sales Congress Set for May 19—Bloomington Group Is Host

The annual meeting of the Illinois Association of Life Underwriters will be held at the Illinois hotel, Bloomington, Ill., May 19. The dinner meeting will be followed Saturday by the annual sales congress with the Bloomington association as host. A large attendance is expected.

After a welcome by Secretary Babcock of the chamber of commerce, President A. F. Hall of the Lincoln National of Fort Wayne will give an address. Others on the program are: E. L. Carson, Wisconsin agency manager Equitable of New York; Dr. H. W. Dingman, vice-president Continental Assurance of Chicago; J. P. McDowell, manager Retail Credit Company, Chicago, and Henry Schoch, Aetna Life, Detroit.

## Coolidge and Harris Are Ottawa Congress Speakers

OTTAWA, CAN., May 11.—More than 100 life insurance salesmen attended the annual sales congress of the Life Underwriters Association of Ottawa. The main speakers were R. B. Coolidge, recently appointed assistant superintendent of agents of the Aetna Life, and George H. Harris, supervisor of field service, Sun Life of Canada. At a luncheon held at noon G. G. Finlayson, Dominion superintendent of insurance, gave some comparative figures on the decrease in insurance in force and the increase in loans and surrenders in 1932.

Mr. Coolidge gave two talks, the first on "Organizing Yourself and Your Work" and the second on "Prospecting." Both dwelt with the routine side of the business, outlining the methods which must be taken into account in dealing with organization and in dealing with prospects. Importance of making a plan of campaign, having taken into account all the known information of the prospective client, was stressed. "You can have all the insurance knowledge in the world, but unless you have salesmanship you are going to

fail," declared Mr. Harris in his talk, "Thoughts on Salesmanship." He asked the salesman to realize that in meeting a prospect, the life insurance business, the company represented, the policy being offered and, last of all, the salesman himself are weighed by the prospect. He stated that life insurance is not worth looking at unless it is going to be of service to the prospect. It is up to the salesman to determine the extent of this service.

**Southwest Texas (San Antonio).**—New officers elected are: W. P. Fogarty, Jefferson Standard Life, president; Paul C. Creamer, Southwestern Life, vice-president; James Holt, Travelers, secretary-treasurer; Matthew Brown, Missouri State, national executive committeeman. New directors are: Archie Helland, Aetna; J. L. Lawrence, Lincoln National; O. B. Roberts, Kansas City Life; Paul Tally, Fidelity Union; P. H. Cherry, Jr., Bankers Life; Ross Cole, Amicable Life; Ernest Wade, Pan-American Life, and C. C. Wolfe, Union Central Life.

W. H. Childers, retiring president, made a brief talk expressing appreciation for the cooperation given him.

**Long Beach, Cal.**—R. P. Cox, West Coast agency manager Minnesota Mutual, spoke on "Human Activity and Invested Capital." C. H. Simpson, agency supervisor of the Minnesota Mutual, was chairman.

**Springfield, Ill.**—The Springfield association has been recently revived. At the first meeting C. O. Fischer, St. Louis manager Massachusetts Mutual Life, spoke. At the June meeting John R. Hastie of the Mutual Life of New York in Chicago, president Chicago association, will be the speaker. J. L. Taylor, Mutual Life of New York, is president of the Springfield association; E. E. Cantrill, Northwestern Mutual, vice-president, and Roy H. Rich, Union Central, secretary.

**Newark.**—Plans are under way for a one-day sales congress, either the last week in May or the first week in June. There will be several speakers of note.

**St. Paul.**—R. B. Hull, managing director National association, spoke on "Getting Back to Main Street."

**St. Cloud, Minn.**—An association was formed here at a dinner, plans being to affiliate with the National association. The officers elected were: O. M. Johnson, president; J. J. Hilbe, first vice-president; Ivan Foot, second vice-president; Eugene Stude, secretary; John Gale, treasurer; Robert Fisher and J. F. Bridges, executive committeemen. R. B. Hull, managing director National association, spoke on "Getting Back onto Main Street," and assisted in outlining a constitution and by-laws, which were drafted by a committee consisting of J. F. Bridges, J. J. Hilbe and John Gale. The temporary chairman was O. M. Johnson and temporary secretary, Rade Hilbe.

**Des Moines.**—A policy carried by C. H. Hutsonpiller of Des Moines for 64 years won first prize in a contest sponsored by the Des Moines association. He took out the policy when he was 14.

Other prizes went to Miss Margaret Conway, with a policy written in Manchester, Eng., 54 years ago, when she was 2 years old, and L. S. Gerberich, with a 54-year-old policy.

**London, Ont.**—A sales congress was held with R. B. Coolidge, assistant superintendent of agencies Aetna Life, giving the keynote talk on: "Organizing Yourself for Your Work." Dr. Angus Graham of the London Life related experiences of 30 years as an insurance examiner and R. J. Williams, Ontario ordinary manager of the Prudential, spoke on "Learning by Doing."

**Jacksonville, Ill.**—There is much that life agents can do to establish and re-establish confidence in their contracts, and even more that they can do to keep people sold, M. L. Woodward, Detroit general agent Northwestern Mutual, told the Jacksonville association. People are hungry for information about their life contracts. Whatever the agents know about the structure and stability of life insurance and of the service it offers, they should pass on now. He said more people buy when they feel well than otherwise. Cheerfulness and happiness beget the same feeling. He urged tuning in with conditions today. Wise life insurance men will devote most of their

time to buyers of smaller policies. There are more of these and the salesman should strive for volume by going after them. Mr. Woodward finds weekly production the only answer today. Programming, servicing and selling an idea will sell more life insurance today than the mere asking a man to purchase another \$5,000 policy, he said.

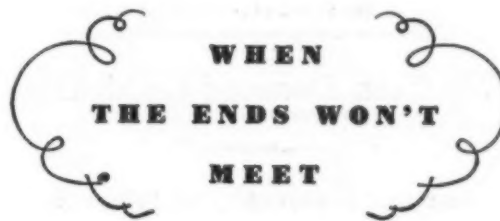
**North Dakota (Fargo).**—Roger B. Hull, managing director National association, spoke Thursday.

**Fresno, Cal.**—J. A. Sullivan, manager Equitable Life of New York at San Francisco and president San Francisco association, and Ben F. Shapro, general

agent Penn Mutual Life, will speak at an all day sales conference May 13.

**Cleveland.**—Grant L. Hill, production manager of the McMillen agency of the Northwestern Mutual, New York City, will speak May 19 on "Are We Majoring in Trifles?"

**Des Moines.**—"Be Aggressive," Paul Dobson of the department of estate liquidation, Northwestern Mutual Life, Milwaukee, told the Des Moines association. He said agents are too prone to go out to see prospects "licked before they start." He urged them to realize they are performing necessary service, also that they regain lost enthusiasm.



There's a new answer to life insurance problems in the Mutual Benefit's new type of ordinary life contract. Constructed with a minimum investment element, yet avoiding the disadvantages inherent in term insurance, it offers the highest type of permanent protection at a minimum of initial outlay.

## THE MUTUAL BENEFIT

LIFE INSURANCE COMPANY • NEWARK, NEW JERSEY

## TRIPLE INDEMNITY LIFE INSURANCE

with Weekly Accident Disability in One Contract for One Premium

Inquire

### General Agency Contracts

available at Cincinnati, Ohio; Columbus, Ohio; Toledo, Ohio; Erie, Pa.; Harrisburg, Pa.; Detroit, Michigan.

## UNITED LIFE and ACCIDENT INSURANCE COMPANY

United Life Bldg., Concord, New Hampshire



## PURE PROTECTION LIFE INSURANCE

Estimated Average Annual Cost for Whole Life Policy over Period of Twenty Years based on Actual Experience Past Ten Years.

**Age 35—\$15.38**

Per \$1,000 of insurance  
Reduced to this figure by an earned dividend.

**No Cash Demand Liabilities**  
except advance premium payments

**Excellent Opportunity for Salesmen**  
Operating in Illinois, Michigan, Indiana and Missouri.

**INTERSTATE RESERVE  
LIFE INSURANCE  
COMPANY**

Mutual Legal Reserve Life Insurance  
Ten East Pearson Street CHICAGO Phone Superior 1714

## Ohio and West Virginia

We are now licensed in Ohio and West Virginia and have a number of choice General Agency openings for aggressive men, paying liberal first year commissions and non-forfeitable renewals.

Our policies consist of a wide range of low cost participating contracts, designed to meet today's economic conditions, as well as attractive Annuities and Juvenile policies.

Inquiries are invited from men of character, desirous of building a successful General Agency with a strong Mid-Western Mutual Legal Reserve Company.

For complete particulars write  
F. A. Hicks, Superintendent of Agents

**GUARANTEE MUTUAL  
LIFE COMPANY**  
ORGANIZED 1901  
OMAHA, NEBR.

Assets Exceeding \$16,500,000.00

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

### Illinois Bankers' New Policy

**Issues Adjustable Whole Life Form,  
Withdraws Business Men's  
Special Contract**

An adjustable whole life policy is being issued by the Illinois Bankers of Monmouth, Ill. It carries a low rate for a period approximating the average life expectancy, with refund of full cash values in addition to the insurance and automatic change to whole life. It is a modification of the life expectancy term plan. The practical effect is to give the policyholder insurance for the nominally active period of life extending to age 60 or more in most cases, for a premium outlay, it is stated, of one-third less than for whole life, yet giving permanent insurance on a reasonable basis.

The automatic adjustment to whole life basis is made four years before the end of the term period with full credit for accumulated reserves, and premiums much below the cost of new insurance at attained age. There is an option to continue on a reduced cost basis for life at the same premium, or approximately one-third the original insurance.

Another option is to pay a greater premium for an amount of insurance equal to the net risk which would be carried had the whole life insurance been issued at the original age; a privilege of change to the whole life form with proportionate adjustment of premiums and insurance at any earlier age and privilege of conversion to any other policy issued by the company without medical examination either at original or attained age throughout the modified premium period of the policy. Waiver of premium up to age 60 is available and also a double indemnity clause.

The Illinois Bankers withdraws the business men's special contract since the adjustable whole life more effectively covers this field. Illustrative rates at quinquennial ages for the new contract together with the total death benefit at the end of 5, 10, 15 and 20 years are:

| Age   | Prem.   | Death Benefit |         |         |         |
|-------|---------|---------------|---------|---------|---------|
|       |         | 5             | 10      | 15      | 20      |
| 15... | \$ 9.37 | \$1,006       | \$1,019 | \$1,031 | \$1,043 |
| 20... | 10.22   | 1,009         | 1,026   | 1,041   | 1,056   |
| 25... | 11.15   | 1,011         | 1,032   | 1,050   | 1,068   |
| 30... | 12.71   | 1,016         | 1,042   | 1,067   | 1,086   |
| 35... | 14.45   | 1,021         | 1,053   | 1,079   | 1,108   |
| 40... | 17.52   | 1,030         | 1,070   | 1,097   | 1,128   |
| 45... | 21.25   | 1,037         | 1,079   | 1,096   | 1,115   |
| 50... | 26.79   | 1,042         | 1,081   | 1,070   | 1,070   |
| 55... | 35.90   | 1,051         | 1,081   | 1,081   | 1,081   |
| 60... | 48.03   | 1,055         | 1,081   | 1,081   | 1,081   |

## AS SEEN FROM CHICAGO

### ESTABLISHES SERVICE OFFICE

H. C. Carpenter has established headquarters in 30 North La Salle street, for the purpose of servicing policyholders through agents in coordinating their policies into a unified trust plan, and in corresponding with the several companies in which the policyholder may be insured. Mr. Carpenter has specialized in his "guaranteed trust service" since 1926, and has represented clients in dealing with over 30 leading life companies. He also had nine years' of banking experience. Miss M. M. Foltz is in charge of the service department.

### INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Brown, Whipple & Co., of Chicago, furnishes the following insurance stock quotations:

|                | Par. | Div.  | Bid | Ask |
|----------------|------|-------|-----|-----|
| Aetna Life     | 10   | 13    | 13  | 14  |
| Col. Nat.      | 100  | 8.00  | 90  | 110 |
| Conn. Genl.    | 10   | 18    | 21  | 22  |
| Cont. A., Ill. | 10   | 2.00  | 20  | 23  |
| Life of Va.    | 20   | 3.00  | 72  | 78  |
| Lincoln Nat.   | 10   | 2.50  | 25  | 27  |
| Mo. State      | 10   | 2 1/2 | 25  | 27  |
| New World Life | 10   | 4     | 4   | 5   |
| N. W. Natl.    | 5    | 12    | 14  | 15  |
| Pac. Mutual    | 10   | 2.00  | 24  | 26  |
| Sun Life       | 100  | 260   | 250 | 250 |
| Travelers      | 100  | 16.00 | 280 | 280 |
| Wis. Nat.      | 100  | 1.00  | 9   | 11  |

## Production Men Eye Moratorium

(CONTINUED FROM PAGE 1)

in a vein of pleasantry with the statement that if the agents would be honest about it, they would be glad that the moratorium was here because they had been looking for some excuse to quit working. The message stated that this was not a moratorium upon life insurance but a moratorium to stop people from doing something that was impossible to do. The message cited the impossibility of attempting to liquidate \$20,000,000,000 of life insurance reserves with the 5 1/2 billion currency in the country.

### Public Indifferent

"You have a federal reserve note in your pocket," the message went on. "Go and try to redeem it in gold. You can't do it and if you possess any gold you will go to jail for having it."

The message went on to say that there has been no change in the ability of the agent to get names, and make interviews, and for some reason or other if the same number of calls are made as in normal times, the business comes more or less automatically.

In St. Paul, Mr. Cummings said, an attempt was made during financial inde-

pendence week to have one of the radio stations broadcast a talk on life insurance. The manager of the station refused this request, on the theory that if a life insurance talk were put on, the listeners would switch to another station and that an attractive program of music would have to follow in order to get the listeners back. Mr. Cummings took issue with this theory and a test was conducted. Fifty persons were called on the telephone and asked whether they would listen to a talk on life insurance by a national leader. Only three said that they would. The others said that they would switch to a musical program. This indicates, he said, that the public is not aroused over the life insurance situation and that the agent conjures up unjustified fears about the moratorium.

J. M. Holcombe, Jr., manager of the bureau, asked whether the companies would be interested in having the American Service Bureau sound out the public on its reaction to the moratorium. The opinion was that this should not be done since it would not be wise to open the question.

### P. A. Parker's Views

P. A. Parker of the Old Line Life of Milwaukee said that many of the checks which his company sent out in January and February in response to demands for policy loans subsequently came back uncashed, showing that the public was



IES

Changes in Manual-  
respectively.

a greater pro-  
insurance equi-  
uld be carried  
ce been issued  
ege of change  
h proportions  
ns and insur-  
d privilege of  
policy issued  
medical exam-  
attained age  
premium per  
of premium  
and also the

withdraws the  
contract since  
re effectively  
tive rates a  
new contract  
death benefit  
and 20 years

benefit-  
15 20  
\$1,031 \$1,030  
1,041 1,030  
1,050 1,040  
1,067 1,050  
1,079 1,060  
1,097 1,080  
1,096 1,070  
1,070 1,050  
.....  
.....

GO

TATIONS

wn, Whipple  
nes the id-  
tations:

|       |       |
|-------|-------|
| Bid   | Ask   |
| 13    | 14    |
| 30    | 110   |
| 18    | 21    |
| 20    | 22    |
| 72    | 78    |
| 29    | 31    |
| 2 1/2 | 3 1/2 |
| 4     | 5     |
| 12    | 14    |
| 24    | 26    |
| 260   | 280   |
| 280   | 290   |
| 9     | 11    |

of the ratio  
a life insur-  
station re-  
ory that it  
put on, the  
another sta-  
program of  
in order to  
Cummings  
and a test  
sons were  
and asked  
o a talk on  
leader. Only  
The others  
o a musical  
said, that  
er the life  
the agent  
about the

ager of the  
companies  
the Amer-  
at the pub-  
poratorium.  
uld not be  
ise to open

ine Life of  
the checks  
in January  
s demands  
came back  
public was

not greatly alarmed about the life in-  
surance situation.

Mr. Dickinson said that the mora-  
torium occupies the center of the stage  
at present, but that agency men should  
take a long term viewpoint and con-  
sider a general program of development.

S. A. Swisher, Equitable Life of Iowa,  
told about the method used in his com-  
pany whereby such a large percentage  
of its business comes from old policy-  
holders. In 1930, 41 percent of the  
Equitable's new business was on old  
policyholders; in 1931, it was 34 per-  
cent; in 1932, 41 percent, and for the  
first three months of 1933 it was 38  
percent.

The Equitable attempts to make it  
easy for the agent to keep in touch with  
old policyholders. The first of each  
year, the company runs the names of  
all policyholders through an addresso-  
graph machine. Then the cards are  
filed by months according to when the  
age change occurs. Each month these  
cards are sent to the individual agents  
and the company insists that the policy-  
holders be called on and that the agent  
make a report. If the agent is gone,  
the cards are allocated to another agent.  
If an agent, to whom a card is sent, re-  
fuses to make a call, the card is given  
to another agent next year.

However, the company warns against  
spending too much time on old policy-  
holders. There must be enough calls on  
non-policyholders to increase the circle  
of clients.

The calls on old policyholders are

good will calls, he said, but at some  
point the agent must disassociate him-  
self from the idea of giving service and  
launch into an aggressive attempt to get  
new business. Mr. Swisher said that  
the old policyholders are the greatest  
assets a company has. He said that  
some of the general agents are finding  
it advisable to change the cards around  
among the agents, so that new contacts  
may be created.

Mr. Dickinson next made the com-  
ment that the quality of new business is  
not as good as it was in former years.  
Apparently agents are not cultivating  
the right kind of people. He said that  
from a study of many cases, a measur-  
ing rod has been developed whereby  
business can be rated from day to day  
as to persistency. Various factors are  
taken into consideration, such as size of  
policy, occupation of assured, etc. The  
question comes up whether the under-  
writer should decline business that is  
known to be poor in respect to persist-  
ency or whether an educational cam-  
paign should be conducted among the  
agents to raise the standard of the  
business. Some companies, he said,  
rate the business of an agent over sev-  
eral months and if the rating is low,  
the agent is advised of his weakness  
and he is checked to determine whether  
he improves the quality of his business.

There was some discussion of the  
payment of commissions on rewritten  
business. Some of the company repre-  
sentatives told of their practices in this  
respect.

## PLANNING FOR PROFIT, BUREAU'S TOPIC

(CONTINUED FROM PAGE 1)

volume for several years and business is  
now being written at the 1918 level.  
The drop, he declared, is not temporary,  
but one to which the agency structure  
must be adjusted.

If business goes down, Mr. Holcombe  
pointed out that there will be a de-  
creased volume per unit of overhead.  
Although the overhead of 1929 may  
have been cut, the volume went down  
at a faster pace so that the unit cost  
is greater.

New capacity must be drilled into  
the present agent, he said. This can be  
done through proper prospecting, time  
control and sales talks. He said that  
there should be a triangle of objectives;  
an appropriate volume of business, sold  
at an appropriate cost and of appro-  
priate quality.

The agency man should no longer be  
a departmental officer, he declared. He  
should be a company officer.

Mr. Holcombe cited the observation  
that has been frequently made that  
there is a clean cut division in the mar-  
ket for life insurance. Those who have  
a surplus of funds desire investment  
forms of insurance. Then there are  
those who want the maximum of protec-  
tion for the smallest outlay.

### Wearing Out Process

In all companies, he said, agents and  
agencies are failing through the wearing  
out process. New men must be in-  
ducted and more economical ways  
must be found of taking them into the  
business. More than bargaining over  
some financial scheme is needed.

Mr. Holcombe said that agency  
managers will be forced to depend more  
on personal production for their income.  
Agents will be hired who have less  
personal overhead to carry and there-  
fore younger men will be more desir-  
able.

The question comes up in the minds  
of all agency operators of whether to  
attempt to maintain the quality of re-  
cruits or to take down the bars and let  
them in wholesale, hoping that a few  
will be successful.

In the '20s, Mr. Holcombe said that  
many things were done without count-  
ing the cost. Now insurance as all  
other business is in a questioning mood.  
The unorganized cannot compete with  
the organized sales effort. The tend-  
ency is towards deliberative selling and

away from the high pressure, one in-  
terview salesman. Cold canvass is  
going out. Progress must be made  
more slowly. Consideration must be  
given as to whether what is being done  
today will not have to be done again  
next year, because what is being done  
today is gross and not net gain. The  
building of an agency is a slow process,  
he said. The process of piling on  
money to make money take the place  
of time doesn't work, he said.

### Produce Larger Returns

The agency dollar must produce  
larger returns. In the investment de-  
partment, he expressed the belief that  
the dollar can't be made to produce  
higher return. Therefore the work of the  
agency officer must be made more prof-  
itable. The help of actuaries is needed  
to lay out plans for the future course.  
Even if general conditions return to  
normal, Mr. Holcombe voiced the belief  
that production of life insurance will  
not return to normal because of the in-  
stability of many buyers, the instability  
of agents through the wearing out pro-  
cess and the instability of much in-  
surance in force because of policy loans.

Although insurance in force is on the  
1929 level, it is badly impaired, he said.  
He expressed the belief that there is  
probably less than \$100,000,000,000 in-  
surance in force now. Either under  
good or bad general conditions, the  
agency man has a serious problem. New  
business is on the 1918 basis; insurance  
in force and overhead are on the 1929  
basis.

One method of approaching the prob-  
lem is to decrease policyholders' priv-  
ileges by cutting dividends and raising  
surrender charges. If this is done, in-  
surance will be harder to sell.

### Increasing General Agent's Profit

Walter Cross of the Provident Mu-  
tual cited some of the things his com-  
pany is doing in an attempt to increase  
the profit of the general agent. Advice  
is given on how savings may be made in  
clerical help, telephone expenses, by  
eliminating extensions. He said that  
more should be known about financial  
management in agencies. Financial  
management and production should go  
hand in hand. The agency department,  
he said, must become more paternal.  
Cost should be made commensurate

## Berkshire Associates are cashing in on the sale of the new Berkshire Retirement Annuity for Men and Women.

This is a participating contract.

Under this new retirement form the annuitant has the  
privilege of selecting the following income settlement  
options!

1. Monthly life annuity.
2. Life refund annuity.
3. Life retirement annuity—120  
installments certain.

In lieu of income settlement option, the annuitant  
may accept the paid up life insurance feature.

"ASK ANY BERKSHIRE LIFE AGENT"

## BERKSHIRE LIFE INSURANCE CO.

INCORPORATED 1851

FRED H. RHODES,  
President

PITTSFIELD, MASS.



Head Office: Montreal

## WORLDWIDE

THE agencies of the SUN LIFE ASSURANCE  
COMPANY OF CANADA encircle the globe.  
Active branch organizations are maintained on five  
continents, in 40 countries and in 40 states of the  
United States of America.

Policies in force number more than a million. In-  
surances in force approximate Three Billions of  
Dollars.

The international character of the Company provides  
unique facilities for the service of its clients, in what-  
ever part of the world they may reside.

## SUN LIFE ASSURANCE COMPANY OF CANADA

## ACTUARIES

### CALIFORNIA

Barrett N. Coates

Carl E. Herfurth

#### COATES & HERFURTH CONSULTING ACTUARIES

114 Sansome Street  
SAN FRANCISCO437 So. Hill Street  
LOS ANGELES

#### A. WESLEY JONES

Consulting Actuary

Annuity Specialist

300 S. Brand Blvd.  
Glendale, California

Phone: Douglas 3118

### ILLINOIS

#### DONALD F. CAMPBELL CONSULTING ACTUARY

160 N. La Salle St.

Telephone State 7298

CHICAGO, ILLINOIS

#### L. A. GLOVER & CO.

Consulting Actuaries

128 North Wells Street, Chicago

Life Insurance Accountants  
Statisticians

#### J. Charles Seitz, F. A. I. A. CONSULTING ACTUARY

Author "A System and Accounting for a Life Insurance Company."

Attention to  
Legal Reserve, Fraternal and Assessment Business—  
Pensions  
228 North La Salle Street  
Phone Franklin 6559 Chicago

### INDIANA

#### Haight, Davis & Haight, Inc. Consulting Actuaries

FRANK J. HAIGHT, President

Indianapolis, Omaha, Kansas City

#### HARRY C. MARVIN

Consulting Actuary

307 Peoples Bank Building  
INDIANAPOLIS, INDIANA

### MISSOURI

#### ALEXANDER C. GOOD Consulting Actuary

615 Trust Co. Bldg., Jefferson City,  
and  
800 Security Building, Kansas City

### NEW YORK

#### MILES M. DAWSON & SON CONSULTING ACTUARIES

500 Fifth Avenue New York City

### PENNSYLVANIA

#### FRANK M. SPEAKMAN Consulting Actuary

Associate

Fred E. Swartz, C. P. A.  
E. P. Higgins

THE BOURSE PHILADELPHIA

Send 9 cents in stamps for sample copy of  
**THE ACCIDENT & HEALTH REVIEW**  
The only exclusive accident and health paper.  
It gives ideas and suggestions that help you  
sell income protection insurance.  
Address A-1946, Insurance Exchange, Chicago.

with business that is reasonably available.

A. B. Olson of the Bankers Life of Nebraska said it must be determined what in the way of expense is to be eliminated; whether it is productive or unproductive expense. He said that many expenses have been developed because companies have been trying to buy business. They bought men, good, bad or indifferent. He said that a promotional period is being entered again. The companies will be tempted to go out after new business and the agency departments will attempt to get promotional money from their companies. The important thing is to find out what was spent that didn't produce anything. The incidental expenses such as telephone, etc., don't mean much, he said.

W. F. Grantges of the Northwestern National said that the lower income is caused by a decrease in business and the sale of lower premium insurance. Decrease in business is caused by poor prospecting, the spending of extra time in the service of old policyholders, dependence of agents on other sources than first year commissions for their income, and ineffective selling.

Mr. Grantges said the Northwestern National started a club for men who would conduct 15 interviews each week and keep a record. In 1932, the production of the 25 leaders in that club was 4 percent higher than it was in 1931, while the 25 leaders outside the club had production of 11 percent lower. The conduct of the agent in front of the prospect and his prospecting methods need improvement, he said.

#### Agents Are Discouraged

The constant plea heard by the agents, "I haven't got the money," causes the producer to become discouraged. Therefore the agent should select prospects with resources. He recommended the referred prospect. As a method of getting such references, he advocated the agent asking clients and prospects, "If you were going into the life insurance business today, who would be the first person on whom you would call?" Having obtained a name in this way, facts should be ascertained about the income, savings, and other facts about the prospect.

There should be more personal letters and contact from the home office with the agent, he said. The agent should be kept informed of all general topics in the life insurance field. Mr. Grantges said that practically all the agents hear from someone in the Northwestern National home office every month. Good work is commended and personal letters are sent when there is sickness in the family of the agent.

J. J. Moriarty of the Missouri State Life said that his company has made cuts in the agency department totaling \$250,000, including \$50,000 savings in telephone and telegraph expenses and about \$20,000 in savings on supplies. Small items count, he said.

#### High Lapse Ratio

Financial problems of agents and managers have been increased because of the high lapse ratio, which causes a cut in the agent's income, the smaller average sized policy, smaller volume of new business and the closer and more careful underwriting.

The actuaries and underwriters, Mr. Moriarty said, blame the agent for most of the trouble, but he expressed the belief that the agent is 95 percent right. The agent, Mr. Moriarty said, was led to the high peaks of the Rocky Mountains and now has been dropped. The underwriters have charts and machinery for measuring risks but they lack the knowledge of human motives, he said. They haven't been out in the field and don't know what the country has gone through. Like the bankers, he said, they are leaning backward. They are a frightened group of men. The agent has been forced to write business, he said, that ordinarily he wouldn't submit. It is difficult, he declared, to keep the agent's income within 50 percent of his 1929 earnings.

The salary savings plan has been a

big help in keeping up the income of the agent, he said. Mr. Moriarty recommended destroying all the old prospect lists and starting on a new line of prospects.

Mr. Moriarty closed with an appeal for good sportsmanship among agency managers. He said that agency men are drifting in the path of becoming gossipers. They talk about the affairs of other companies too much.

B. N. Woodson of the Mutual Trust Life said there has been only a small decline in renewal commissions, which is not in line with the decline in renewal premiums. Apparently the orphan policies are the ones that are suffering the most.

#### "Conditions" Overemphasized

Much of the conservation work that is being done by the older agents can better be done from the home office, he said, thus leaving the agent freer to get new business.

Although the earnings of agents can't be kept up in actual dollars they can be kept up in buying power, he said. Mr. Woodson expressed faith in the older agents. He said that the older men are not merely fair weather sailors. New men come in and sell their friends and thus are able to make a showing. The investment of the company in its older men should not be ignored, he said. The Mutual Trust Life, he said, deals severely with agents who don't produce in 90 days. He said that the older men, contrary to general belief, are using sales material to a greater extent than the new men.

S. A. Swisher of the Equitable Life of Iowa said that "conditions" have been emphasized in the minds of the agent. "Conditions," he said, have always been the greatest source of resistance to sales.

#### Interesting Objective Needed

Mr. Swisher said that an interesting objective should always be kept before the agents. For instance, during the bank moratorium, the Equitable conducted a campaign for the writing of business every day that the banks were closed. He said that the agent should be kept intelligently excited.

A. L. Dern, Lincoln National, said that the agency men in all companies should stand together to support the institution of life insurance. He said that he would rather be wrong most of the time in denying rumors about companies than be right in confirming them.

He emphasized the necessity of agents making twice as many calls as they do. He said that the Lincoln National conducted a contest based not on paid business but on written business, the idea being to get the men into the field, and revising their prospect list.

The Lincoln National has started bill board advertising to build up morale, he said.

#### Manager as Producer

F. M. Feffer, Abraham Lincoln Life, said that his company has made very few general agency connections this year. Where the general agent is primarily a personal producer, the company discourages him from appointing new men. It is important for the general agent to earn a living these days. Mr. Feffer expressed the belief that in the smaller companies the general agent must primarily be a personal producer.

Mr. Feffer said that the Abraham Lincoln has had success in conducting classes for new men. Men are enrolled who can finance themselves for three months. The quality of business is better from the men who attend these classes than from the other men, he said.

#### Good Results from Schools

J. H. Snyder of the Commonwealth Life said that good results have been obtained by conducting schools. A general agent can attend such a school if he rounds up five men, either agents or prospective agents.

Agents are permitted to send the company 15 names a week, he said. Letters are sent to these persons from the company, and the agent must re-

port on the 15 calls before another list of prospects will be circularized.

Agents, he said, worry too much about people who are out of work.

Harold Cummings, Minnesota Mutual Life, told about the systematic program which agents of his company are instructed to follow. The Minnesota Mutual idea is to tell the agent specific things he is supposed to do to get specific results.

H. G. Kenagy, assistant manager of the bureau, said that getting a program across depends on the general agent and manager. The question is how to find the springs of action in a man. Commissions don't work as a stimulus, contests fall down and the old group stimulation plans fail where the general agent lacks the capacity to work individually with the agent. The general agent and manager must live close to their men.

This is an excellent time for able and efficient managers to recruit, he said. Long time educational programs are being eliminated and in their stead efforts to give good training inexpensively. Coaching on the job is the present technique. The manual of arm theory has proved itself, he said. Theoretical and expensive plans are in the discard.

George L. Grogan of the Federal Reserve Life told about the new agency contract, which his company has introduced and which was reviewed in THE NATIONAL UNDERWRITER recently.

#### Keeps Cost Records

Hugh Walker of the Detroit Life said that his company keeps cost records of agencies, showing total expenditures as the percentage of total new premium income paid through the agency in a month. This gives a ready check on the operations, he said. Where the percentage is out of line, the general agent is told that new premium income must be increased or expense must be reduced.

R. Boissard of the National Guardian Life said that his company has kept expenses down by working for low mortality and low lapse rate. Quality business is sought and volume is not a consideration. The National Guardian pays 5 percent less commission on policies less than \$2,500 and 5 percent more on policies of more than \$5,000. The \$5,000 policy is more profitable and therefore this item is pushed.

L. J. Doolin of the bureau staff brought up the question of the advisability of companies retiring from states in which they have a small amount of business and in which the buying capacity is limited. He mentioned that one company found that six states were producing only \$1,000 while the cost was \$3,600. The suggestion was made that collections might be cleared through one office in sparsely populated states or states in which the company does not have a considerable business.

#### Nebraska Leaders Given

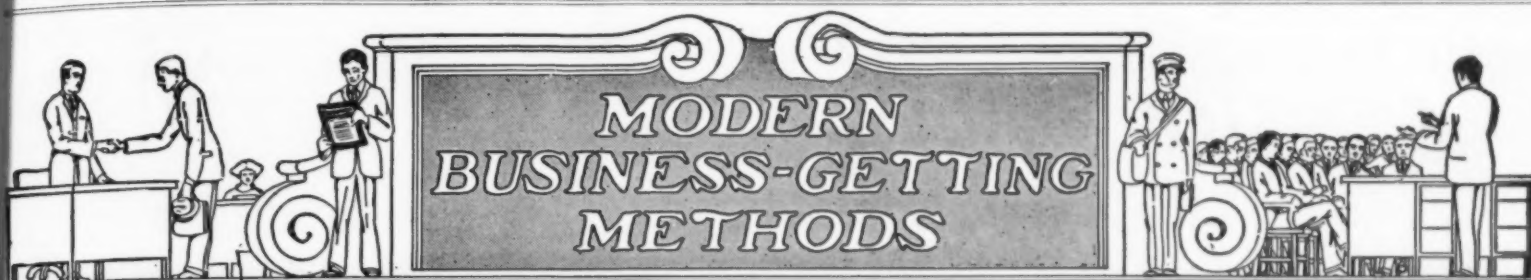
The leading companies in new ordinary business in Nebraska for 1932 along with their totals for the last two years follow:

|                          | 1932        | 1931         |
|--------------------------|-------------|--------------|
| Bankers, Neb. ....       | \$5,574,000 | \$ 7,237,000 |
| Old Line, Neb. ....      | 5,160,000   | 3,968,000    |
| Lincoln Lib. ....        | 4,003,000   | 3,967,000    |
| Amer. Reserve ....       | 3,723,000   | 611,445      |
| Travelers ....           | 3,682,000   | 2,919,000    |
| Union Pacific, Neb. .... | 3,504,000   | 634,510      |
| Aetna ....               | 3,374,000   | 3,386,000    |
| Union Central ....       | 3,018,000   | 2,032,000    |
| Northwestern Nat. ....   | 2,986,000   | 15,473,000   |
| Lincoln Nat. ....        | 2,866,000   | 6,707,000    |
| Prudential ....          | 5,502,000   | 7,717,000    |
| New York Life ....       | 5,474,000   | 4,653,000    |
| Equitable, N. Y. ....    | 4,149,000   | 5,161,000    |
| Metropolitan ....        | 4,039,000   | 4,141,000    |
| Northwestern Mut. ....   | 3,795,000   | 3,978,000    |
| Mutual of N. Y. ....     | 2,761,000   | 1,685,000    |
| Cosmopolitan ....        | 2,110,000   | 2,574,000    |
| Security Mut., Neb. .... | 2,094,000   |              |

#### Best Month on Record

The southern California agency of the Minnesota Mutual Life at Los Angeles, under the supervision of Manager C. H. Simpson, closed April with the largest month in its history.





## Knute Rockne's Art Would Be Great Asset in Life Insurance

The football training methods and strategy of the late Knute Rockne of Notre Dame offer great possibilities in their application to life insurance selling. H. G. Kenagy, assistant manager, Life Insurance Sales Research Bureau, Hartford, told the general agents and managers division of the Chicago Association of Life Underwriters at the monthly luncheon. He spoke on "What Knute Rockne Taught About Handling Salesmen."

Mr. Kenagy said general agents and managers should read the book "Salesman From the Sidelines," on Rockne's practices in training football teams, and should apply the principles to their men in selection, training and agency management. In selection, he said, Rockne was not interested in past performances of candidates for the team but in what they showed on the field. Mr. Kenagy said perhaps general agents and managers have given too much attention to picking stars rather than trying to develop them. He said that Rockne picked them well but he trained them. He wanted a group of men who would work together and play for the team as a whole.

### Taught That Every Play Should Bring Touchdown

Rockne taught that if every play were executed perfectly it would result in a touchdown. Mr. Kenagy said that in life insurance selling if every man entered every interview with the same training and mental attitude there would be many more sales.

Mr. Kenagy said that in his talks with prospects he finds that life insurance men waste much time in visiting with prospects. He said every interview should be a closing interview. One company uses a "dress rehearsal" plan. An agent goes to the general agent once a day with information about a prospect. The two sit down and decide what plan should be presented. Then the general agent makes the presentation to the agent, and the agent attempts to duplicate it. Mr. Kenagy said that company's agents who use the plan close 70 percent of prospects.

Rockne insisted upon fundamentals. He knew more about the theory of football than anybody else. He worked out every play, even to the mathematical force of a football being passed or kicked through the air. The three fundamentals in football that Rockne taught in his coaching school for coaches from all over the country were blocking, tackling and passing. He disclaimed any trick plays. Success came to his teams by the constant drill on these fundamentals.

### Teaching of Fundamentals Has Precedence Over Theory

Mr. Kenagy said he hoped that general agents and managers have thrown out forever the teaching of life insurance selling. He said that they are discovering that they can get down to the fundamentals of prospecting, planning, organized selling and a definite program. He said that education on the theoretical side should come after mastery of the fundamental side.

Agents and managers waste time trying to teach men who can never be successful life men. They should be tested on fundamentals before they are accepted. They must be able to do good prospecting. They should be taught a method of prospecting and interviewing. No man succeeds in the business unless he masters prospecting. Have the agent demonstrate his ability to do prospecting, he said. If he cannot prospect he doesn't belong in life insurance.

The next test of the ability of the man to succeed. Mr. Kenagy said, is to get sufficient information from his prospects to succeed in presenting the plan to them. Then the final test is to go out and try the ability of the man to close the sale.

### Discovery and Correction of Faults Essential Step

The third step in testing the ability of the man to be a successful life insurance salesman, Mr. Kenagy pointed out, is effective presentation. Men who can prospect and plan can probably make a good presentation. He said that like Rockne's individual coaching the weaknesses and faults of a man should be sought out and given special attention. Rockne kept accurate records of every play in a game and studied them to find out why they did not succeed. He wanted to know why each play did not bring a touchdown. Mr. Kenagy said so should life insurance men have a definite plan and they should know why it does or does not succeed. Every man should keep a record. Every time Rockne's teams slacked they showed some weakness. When life insurance men stop analyzing they also lose out or slow up. He said that as Rockne was a great motivator, so should life insurance men have a definite motive. They know plenty of ways of prospecting, they know sales factors that will get results but they just can't put them

into effect. Getting a motive is the thing. The biggest job life men have is knowing what they are doing. We do what we do from force of habit. Good theory comes from good practice.

Mr. Kenagy said he would like to write a book on "Getting Men to Work." He said it would be a collection as great as Rockne's in the record of practices. He said Rockne's thought-out technique, his mastery and art should be applied to life insurance. He said the biggest thing in the life business is thought-out technique and that all hands should tackle that a little

harder and see if they can work out a solution to the problem.

A plan which is to be part of the publicity program for the annual meeting of the National Association of Life Underwriters to be held at the Stevens hotel, Chicago, Sept. 27-29, was outlined by President J. R. Hastie of the Chicago association. There will be 80 or more large signs placed in September at strategic points about the city and along highways leading into Chicago. The plan was received with much favor and final details are to be worked out by June 15.

## Service Approach Is Urged in the Sale of Life Insurance

NEW YORK, May 11.—Use of the service approach in making the prospect realize the inadequacy of his present life insurance was urged by R. B. Coolidge, assistant superintendent of agencies of the Aetna Life, speaking at the New York City Life Underwriters Association May meeting.

"It is difficult to break down today's resistance to the thought of buying with a direct attempt to sell," said Mr. Coolidge. "It seems to me that we should attempt to make the prospect visualize his family living on the proceeds of his present insurance and himself living on what it will produce at retirement age. Having done this, we can show him how much this program can be improved through some additional life insurance. I believe that 'program-selling' or 'analysis-selling' with a service approach is one of the most effective ways of overcoming the greater sales resistance of today as compared with a few years ago."

"Let me cite an example of this from my own experience. I have been needing a new automobile for some time but I wasn't in a buying mood. Several salesmen had tried to get me to buy, but without any luck. I wanted to buy, but not enough to overcome the

resistance to buying which I and many others have toward buying anything.

"But a couple of months ago the service station called up and offered to go over my car and report just what would be necessary to put it in first class condition. I drove the car in, and when I drove it out they handed me two typewritten sheets showing what needed repairing and how much it would cost. I went over them at home and knew I would not spend the money necessary to do this work. The more I thought, the more I became convinced that the economical thing to do was to buy a new automobile. Right there, without a salesman being present, I made up my mind to buy a new car, and within two weeks I did so."

"The automobile agency, through a service approach and an analysis method, had forced me to visualize just what I had in the way of a car and just how far it would go. I think that in our work we must force our prospects to do the same thing and visualize just what they have and just how far it will go in taking care of their families."

### "Industrial Salesman" Shows Magnitude of Its Field

The "Industrial Salesman," the monthly insurance magazine published for industrial agents, managers, and in fact, all in the business, with headquarters in the Wulsin building, Indianapolis, is starting on its second year. It closed its first year with not quite 10,000 paid subscribers. It is stated that there are 100,000 full time agents engaged in the industrial business. They already have as prospects for potential service 75 percent of the population. There are about 160 companies writing some kind of industrial insurance. The "Industrial Salesman" says, "In many cases it has been shown that an industrial company is the best foundation for a life company giving a general service with ordinary insurance as an increasing quantity."

While some industrial companies show decreases in business for 1932, none of them or at least but very few have lost in financial strength.

"The Investment Trust Service of Life Insurance," by A. G. Borden, shows what life insurance can do. Order from The National Underwriter. \$1.50.

## Security Sought by Everyone in 1933

Security is a wonderful word in 1933, Jerome Clark, superintendent of agents of the Union Central, told the New York Life Underwriters Association at a meeting May 9. Mr. Clark asked what individual today is not thinking to himself, "I don't want \$1,000,000; I never want to see another broker's statement; I don't want to be an emperor of industry. What I want is a chance to work, secure in the knowledge that my family is O. K., that we can keep our home, that we can educate our children, and that we will have something when we are old."

### Prospects Are Many But Not Found Everywhere

Loss of earning power, Mr. Clark declared, is no longer just a phrase to the head of the household; it is something real and bitter. The present time offers opportunity to agents to canvass men who know from sad personal experience just what it means to be deprived of income.

Mr. Clark stated the market for security is large, but it is not everywhere. Most agents have been relying too much on old clienteles and policyholders. He believes selling technique can be improved by applying four principles, the first in the 1933 plan being to have a "leader" policy, one which carries the greatest sales appeal; secondly, the agent should push that leader with a selling technique which is vivid and interesting; thirdly, the selling technique must be such as to make these leader policies tangible. Finally, the agent must have an objective, to tie the leader up with a specific plan and amount of insurance.

The trend of the times has set up a guidepost pointing to life insurance for security, he said, while another guidepost admonishes the agents to look to their prospecting. The new market will be found mostly in the new contacts which are made. A third guidepost points to a sales technique tied in closely with present selling conditions.

1931  
\$ 7,237,000  
3,968,000  
3,957,000  
611,445  
2,919,000  
634,510  
3,183,000  
2,926,000  
3,033,000  
15,473,000  
6,707,000  
7,717,000  
4,653,000  
5,161,000  
4,141,000  
3,978,000  
1,685,000  
2,574,000

## AMAZING LOW RATE OFFER! AT HOT SPRINGS NATIONAL PARK ARKANSAS



### HOTEL MAJESTIC



Sufferers from rheumatism, neuritis, kidney trouble, high blood pressure and kindred ailments find swift and sure relief in the forty-six world-famous springs here at Hot Springs, Arkansas. Worn-out systems are toned up; new health comes to jagged nerves.

Enjoy every outdoor sport while you Bathe your troubles away!

The sportsman finds a new thrill in golf, riding, fishing and all outdoor sports high up in the Ozark Mountains in a 900 acre Government Park

H. GRADY MANNING President

VACATION AT HOT SPRINGS!  
YOU'LL ACTUALLY SPEND LESS  
THAN YOU WOULD AT HOME.



### LOW RATES

You can always find comfortable rooms, hospitable service and excellent inexpensive cuisine....  
FROM FOUR DOLLARS  
A DAY

MARK HOPKINS  
OR  
THE FAIRMONT  
HOTELS

OVERLOOKING SAN FRANCISCO

four minutes from  
Shops and Theatres.  
Garage in building

1933

A CENTURY  
OF PROGRESS  
CHICAGO



Don't Miss

### A CENTURY OF PROGRESS

Plan to stay at the Morrison  
when you visit the World's Fair

- In the Heart of the Loop
- Only \$2.50 up with Bath
- Bright, Cheerful Rooms
- Quick, Friendly Service

MORRISON  
HOTEL CHICAGO

## Illinois Plans to Classify Carriers

(CONTINUED FROM PAGE 3)

the public will not be misled as to the condition of a company. The superintendent will give each company a hearing where there is any doubt as to its being able to continue operating in a normal way. In some cases there may have to be some refinancing. The department states that it will do nothing drastic. Mr. Palmer bases his authority to appoint conservators on House Bill 507, a department measure passed by the House and which also passed the Senate this week. This gives broad emergency powers to the insurance superintendent. The department is following the lead taken by the national government in classification of banks. The department feels that this survey that is made of Illinois companies is fair, accurate and comprehensive.

The big majority of the Illinois companies are of course in good shape and there is no reason for worry as to their condition.

## Survey of Older Agents Is Given

(CONTINUED FROM PAGE 1)

meet present conditions, they have blossomed out and left the newer men as a group far behind."

K. A. Luther of the Luther-Keffer agency of the Aetna Life and R. G. Engelsman, general agent Penn Mutual, spoke on recruiting new agents. Mr. Luther favored the "hand-picked" method while Mr. Engelsman preferred mass-recruiting. Both agreed it is better not to paint too rosy a picture for the prospective agent, but to tell him enough of the difficulties to discourage at the start those who would only fall by the wayside later.

Mr. Luther gives much of his time to new and prospective agents, telling them the story of success in life insurance, the possibilities of failure, and asking whether the man thinks he has the qualities necessary to success and is willing to pay the price. This often awakens a fighting spirit. Mr. Luther prefers men between 28 and 35, who have had some hard knocks; preferably college men.

Mr. Engelsman described the mass-recruiting system used in his agency. Men are taken in four times a year at the opening of each training course. In order to get 15 men to show up for the course 20 must be enrolled. Of those who start, about 60 percent will finish. Mr. Engelsman has been able to discern no difference in the success of college and non-college men. College men are easier to teach but non-college men usually get along better with people.

The importance of "selling" ideas to new agents in a training course was stressed by W. H. Beers, general agent New England Mutual. He said agents must not merely be given information in such a course but must be motivated. Among the advantages of an intensive selling course, he said, are: Better men are obtained, group training makes it possible to put on more men, time is saved, agents who already have taken the course are stimulated to take it over again after three to six months, financing is made easier for men to get into production more quickly and those who are going to drop out do so early; average production per agent is increased. He cited the example of J. D. Drewry, general agent Mutual Benefit in Cincinnati, whose 50 men in 1926 and 1927 had an average income per man of \$10,000 a year.

C. L. McMillen, general agent Northwestern Mutual, recommended the delegation of authority by the general agent wherever possible. General agents should free themselves completely from office routine and invest all surplus time

## Gets Diamond Emblem for Weekly Production

I. L. Close, general agent Provident Life & Accident of Chattanooga at Pittsburgh, has won the diamond emblem of the International Production Club in recognition of his 5-year record of consecutive weekly production. During that period Mr. Close completed 578 applications. A number of times he was forced to drive miles and at least twice to use an airplane in order to keep from breaking his consecutive weekly record. He did intensive work and deserved the recognition he received.

in business-getting and building organizations which will permanently produce a satisfactory volume of business. He stressed the importance of refusing to take in new agents who may turn out failures, saying that these men prevent a great many good men from coming into the business.

E. W. Allen, of Allen & Schmidt, general agent New England Mutual, president of the association, conducted the meeting and was toastmaster at the dinner.

## Peterson Defends Moratoria

Addressing the Lions Club at Lincoln, Neb., with more than 100 representative business and professional men present, C. Petrus Peterson, general counsel Bankers Life of Nebraska, said that even if the mortgage banking and insurance moratoria passed by the legislature are declared unconstitutional later by the supreme court, as is possible, the laws had met a great social emergency then existing in the state and had brought a sense of security to distressed elements of the population that had incalculably raised the morale of farmers, business men and citizens alike.

## Did Not Seek Texas License

The report was printed in some of the papers that the Massachusetts Mutual had applied for admission to Texas. General Counsel Wesley E. Monk states that the company has never reapplied nor entertained any intention of reapplying for admission to Texas for doing an insurance business since its withdrawal at the passage of the Robertson law.

## No War Risk Policy Restrictions

A subscriber inquires whether the United States government has placed any restrictions on the life insurance policies issued by the Bureau of War Risk Insurance. There have been no restrictions as to policy loans or cash surrenders made.

## CLAY W. HAMLIN "DEFINITIZER" SYSTEM

Manual for the manager on Mr. Hamlin's complete time control plans and 3 copies of the "Definitizer" for \$1.00.

Insurance R & R Service  
Indianapolis, Indiana

## WANTED

A position by an agency executive with a proven record. Anxious to make connection with an aggressive medium sized company. Best of references. Address X-46, The National Underwriter.

## AGENCY EXECUTIVE AVAILABLE

Ten years agency organization experience. Can install sound methods of operation in field force to secure consistent production also new agency organization. Reasonable salary and opportunity desired. Write X-41, The National Underwriter.